
SOUM ECONOMIC DEVELOPMENT STRATEGY 2007 – 2015



Bayankhongor, 2007



Open
Society
Forum



Local Government &
Public Service Reform
Initiative



Center for Policy
Research



Bayankhongor
soum

This strategy has been written by the soum administration and the soum core team with the input and contribution of soum citizens, representatives of public institutions and enterprises with advice from the Open Society Institute, «Local Government and Public Service Reform Initiatives», the Open Society Forum and the Centre of Policy Research. The OSI, LGI and OSF take no responsibility for the content of this strategy.

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Contents

Foreword	v
Acronyms	vi
Governor's address	vii
Introduction	ix

Part 1. Common issues of the soum LED strategy. 1

1.1. Importance of the soum LED strategy as a guideline document	1
1.2. Background and Justification	3
1.3. The philosophy behind the soum LED strategy	4

Part 2. The process of development of the soum LED strategy. . . . 6

2.1. Guiding Principles and Methodology	6
2.2. Organizational approach and Regulation	7
2.3. Participation and Consultation	14
2.4. Business enabling environment survey	14
2.5. SWOT Analysis	15
2.6. «Vision-goals-objectives-projects» Matrix	16
2.7. Expected outcomes	17
2.8. Strategy Implementation	18
2.9. Strategy Implementation Management	19
2.10. Financing of the strategy	20

Part 3. Overview of Bayankhongor soum 21

3.1. Soum Administrative Bodies and their Structure	21
3.2. International relations	23
3.3. Geography, climate and natural resources	25
3.4. Demography: growth, human resources, capacity	26

Part 4. Soum economic review: current and future perspectives 29

4.1. Household living standards	29
4.2. Budget sources and their expenditures	30

4.3. Gross soum outputs.	31
4.4. Review of main public and business sectors.	33
4.5. Markets and Marketing	36
4.6. Education, culture, tourism and health services	37
4.7. Infrastructure and communal service	39
Part 5. The soum LED strategy	42
5.1. LBES Findings	42
5.2. SWOT analysis	44
5.3. Vision-to-Project Matrix	48
5.4. Project Implementation Matrix	52
5.5. Project Prioritization Matrix	59
5.6. Strategic Directions of Soum Business Promotion.	62
5.7. Project Fiches	65

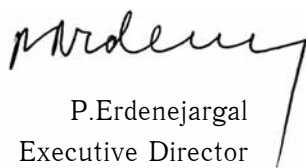
Foreword

Some of the foremost development goals for transition economies, like Mongolia, include creating favorable business-enabling environments for the newly emerged private sector and designing integrated, multifaceted and self-committing plans for local economic development (LED).

Over the last year the Open Society Institute and Open Society Forum have initiated a process in 4 Mongolian soums to build local stakeholders' capacities to better plan and manage future development needs. This process, called «Developing Economies Locally through Action and Alliance» (DELTA), was adapted from previous OSI and World Bank experiences in Eastern Europe. The principle idea was to bring together large segments of the local population, including the government, the private sector and civil society to analyze possible opportunities, create a vision, goals and objectives and then to elaborate specific and prioritized projects and steps to achieve that vision.

This strategy document which you have in front of you, and the implementation process that has been initiated, are two of the primary tangible outcomes of the project. What is less visible are the new partnerships for development that have been formed at the soum level and the new way in which the soums are «doing business», i.e. in a more inclusive and participatory fashion. The planning methodology can and should be applied to various other decision-making processes in future.

We would like to avail of this opportunity to express our gratitude to the people of Bayankhongor soum, Bayankhongor aimag, as well as the Center of Policy Research and all other experts who contributed to the successful development of this strategy.



P. Erdenejargal
Executive Director
The Open Society Forum



Scott Abrams
Deputy Director
Local Government and Public Service
Reform Initiative
OSI-Budapest

Acronyms

DELTA	«Develop economy locally through alliance and action»
LEDS	Local economic development strategy
SME	Small and medium enterprise
LGI	«Local Government & Public Service Reform Initiative»
SEDS	Soum economic development strategy
CPR	Centre of Policy Research
SGO	Soum Governor's Office
SCRKh	Soum Citizens' Representative Khural
PSCRKh	Presidium of the Soum Citizens' Representative Khural
OSI	Open Society Institute
OSF	Open Society Forum
SED	Soum economic development

Vocabulary

Aimag	A rural highest administrative unit (province)
Soum	Mid-level administrative unit under aimag
Bag	A lowest administrative unit under soum
Negdel	Agricultural cooperatives that existed during the centrally-planned economy and ceased to exist from early 1990s
Bod unit	A large animal unit used to convert numbers of different species
Zud	Winter snow disaster accompanied by extreme durable cold temperatures
Khashaa	An enclosure put around small plots in ger districts as a protective fence



Governor's Address

With the committed inputs of the soum governor's office and local stakeholders, and the methodological guidance and technical assistance of the OSI «Initiatives of reform of local government and public service» program and OSI/OSF «Develop economy locally through alliance and actions - DELTA» project, we have a mid-term strategy for the development of the economy of Bayankhongor soum from 2007 to 2015, created.

It is our great pleasure to highlight that the process of creation of the strategy, which represents an official document that would guide the economic development of our soum over eight years wealthily exploited the common LED methodology, practical principles and participatory approaches. Therefore, it is worth to note that the formulation of, and the activities of achieving our future development perspectives are comprehensive and realistic.

To develop a realistic vision statement of the mid-term economic development strategy and identify the goals, objectives and projects that lead directly to the achieving our vision, we made a significant amount of efforts to promote and retain commitment and participation of local stakeholders: local administration, businesses, civil societies and other actors. This as we see now, enabled us to reflect the commitment and inspiration of stakeholders in our strategy using different means such as a comprehensive survey of local business enabling environment, SWOT analyses and public debates, consultations and free discussions with the stakeholders. The whole process of designing a document, known as an economic development strategy through mobilization of all capabilities and efforts of soum government and citizens had been clear evidences of how the challenging issues of

soum economic development can be identified and formulated into long-term strategic development goals.

As the bodies representing different layers of local stakeholders, the Planning Commission and Working groups played a decisive role in the identification of those measures that should be implemented if the soum government is work towards promoting the private sector development. The strategic programs and projects designed to facilitate achieving the vision and goals symbolized how the public-private partnership can be developed and strengthened.

We are confident that the soum LED strategy will achieve improvements in the business-enabling environment resulting in strengthening public service institutions and upgrading national/local infrastructures to attract investments and improving information networking and communication services. In addition, advancements in creating training capacity locally for human resource development and improving the business advertisement and better presentation of products and services to consumers are expected. Significant progresses will be made in the solving key development policy areas concerning the creation of stable economic growth, promoted private sector and SME development, reduction of unemployment and poverty, upgrading the overall living conditions of the soum citizens, and minimizing environmental degradation.

We to sincerely hope that soum citizens, businesses and community organizations will contribute the implementation of the soum LED strategy through active and committed participation in whole process, and the donors, international organizations, domestic and foreign investors and financial partners will cooperate providing goodwill support and assistance.

M.Tsogt
Governor & Mayor

Introduction

As part of nationwide socio-economic reforms in Mongolia, the soum administration and businesses must pay more attention to and further expand upon the current development-oriented changes in the life of Bayankhongor soum and work to distribute evenly the benefits of development to all stakeholders.

New development goals have given the soum communities the task of strengthening the capacity of local businesses to compete for new markets as the basis for future prosperity. The soum economy has experienced strong progress over the years of the transition to a market economy. Prior to the transition, production and services in the soum were fully dominated by large state and cooperative owned businesses, which now have been taken up by private small and medium economic entities.

The time has arrived to initiate strong measures and real action to attract investors and donors to help finance economically sustainable development at the soum level. There is a great need to deepen the partnerships between local government and private sector with an eye towards improving local business-enabling environment. The public services and regulations enacted by soum government and associated public organizations must respond to the challenges facing local businesses and allow them to actively work towards the advancement of the local economy.

Local administration and communities face enormous challenges to bring new concepts and approaches to create sustained economic growth, activate soum businesses and improve the quality of life of soum citizens through heightened competitiveness and productivity of local businesses.

An effective soum must work strategically to maintain and empower existing businesses as well as to create an environment for the development of new businesses and sustainable investment. This is a serious challenge for communities to work together to find better ways to make better use of existing resources and define the priority areas, which serve as the vehicle for bringing more products and services to local and neighboring markets and the backbone for designing a complete mid-term strategy for the development of soum economy. This approach has been identified as the best means for the soum to use its potentials and resources cohesively and coherently to achieve the goal of sustainable economic development.

Throughout the exercise, a core principle to work with local societies in close interactions through wider participation of soum people was strictly followed so that there are good correspondence and interrelations between the goals and objectives

as well as the projects of the strategy and the commitment and preferences of partners and stakeholders. In this way, the work on the designing a soum economic development strategy went well. Similarly, it was ensured that each portion of the different categories of stakeholders has its part in the progressing of soum economy and quality of people's life.



PART 1

COMMON ISSUES OF THE SOUM LED STRATEGY

1.1. Importance of the soum LED strategy as a guideline document

The completion of the task of designing this LED strategy was the direct result of the timely and responsive assistance provided by DELTA to our soum. The importance of the strategy development process can best be described as «the soum administration, businesses and citizens being provided with the unique opportunity to talk to anyone and any organization on a variety of issues concerning the priorities and challenges of soum economy, without being red-faced». The complete and enhanced document «Mid-term strategy for economic development of Bayankhongor soum» that illustrates local concerns and commitments can serve as a guiding document in a broad spectrum of talks and interactions.

Prior to the commencement of the DELTA project the need to revise and re-formulate the conceptual and

strategic issues concerning the future of soum development was not completely new to soum government. For many years however, this had been a great challenge for the soum administration and organizations engaged in local public services. While the issues of improving the quality, availability and efficiency of public services, the environment for enabling growth of local businesses and streamlining the efforts of government to better support local businesses had been brought to the table; the lack of well-guided methodological and professional support and information regarding the most efficient and feasible ways of formulation of long-term development strategies had been a serious stumbling block to development.

The soum government had previously made efforts to diversify local businesses into different markets and to bring about cooperation between administration and private sector. However, the means and approaches taken were simply not effective. The immediate task was to revitalize local economy and set up mechanisms that streamline economic development towards more sustainable operation and wider cooperation.

In the current situation, local businesses find it difficult to expand and diversify their businesses and almost every attempt to open new business ends in failure. One common reason often given is the lack of reliable financial sources to support business growth. Nevertheless, a weak business-enabling environment has a considerable amount of negative impact on the viability of existing and new businesses.

Regardless of the difficulties, it is time for the soum government to move away from its previous position as an inactive observer or direct interventionist and make a decisive shift to be partner and initiator, providing legal and official support to the development of local businesses to promote economic growth, new jobs and a higher quality of life.

The experiences and lessons from the process of designing the soum LED strategy confirms that the soum government is fully capable of integrating various business communities and promoting local stakeholders applying various forms of cooperative techniques. Now the motivation, support mechanisms and new mentality is available, to create efficient regulations and business organization.

The soum LED strategy developed through joint and committed inputs of the implementing agencies and our community symbolizes the future prosperity of our soum.

1.2. Background and Justification

The soum LED strategy that has been developed, with the commitment and active participation of soum communities and represents the outcome of their cooperative effort, seeking the closest and most feasible ways of participatory identification of the priority and future direction concerning the improvement of the local business enabling environment. The realization of such outstanding issues will lay the foundation for stakeholders to access the benefits of strategy implementation.

The techniques that have been developed by the soum government to implement the local development policy are powerful factors that will bring direct and indirect measurable effects on the quality of the services to foster the utilization of internal opportunities/strengths and managing the external favorable situations and maintenance/diversification of existing businesses and attract investments.

The goal of any good government is to serve to create a favorable environment that is accessible equally to all businesses and local stakeholders. In this respect, the size of business is not that factor which links the business-enabling environment with local businesses. Therefore, a single principle had been strictly followed throughout the development process of the soum LED strategy, which is that the soum government should work and cooperate with individuals and enterprises engaged in production, processing and services without any discrimination in the basis of the ownership and size.

The LBES and SWOT analysis, which were developed prior to the creation of the strategy, provided the soum administration with valuable information and data. The findings represented local views and perceptions about the current situations and ideas concerning the future directions of soum economic development. The strategy is, therefore the result of joint and committed efforts of both the soum administration and community and represents a synergy of the dreams and desires of local people and institutions on how to reach a greater level of economic well-being.

The legal basis for the creation of a soum economic development strategy is clear and reflected in the major laws of Mongolia. Local self-governance powers are sanctioned by the Article 8.1 of the Law of Mongolia on «Administrative and Territorial Units of Mongolia and Their Administration», which states that «the administration of administrative and territorial units are empowered to organize problems associated with the local economic and social life on their own», ...»soum and district Citizens' Representative *Khural* shall be entitled to debate and make appropriate decisions on local economic and social, and organizational issues». Article 18.2.1 of the same law permits local government to take a leading role in local development planning saying

«approve long and short-term directions of territorial economic and social development and amend such directions».

It would have been impossible to create this strategy without the tremendous support and input of the private sector. The process created great expectations among the soum citizens, inducing a common understanding that all stakeholders who have contributed to the design of the strategy should be aware of their responsibility for the materializing the local expectations with successes and likely outcomes from the strategy.

All citizens, businesses and the local administration sincerely hope that the strategy, which represents the fruits of our cooperative effort, will be successfully implemented. The responsible allocation of existing resources, capacities and strengths will help us achieve our vision, through the successful implementation of our community-defined development and business promotion directions, so that the community could share the benefits.

The mid-term soum economic development strategy of Bayankhongor soum was approved by the decree of the session of the SCRKh of June 26 2007. The Representatives expressed their satisfaction that the strategy has covered all the spheres of the outstanding agendas of the creation of favorable environment for soum business development.

1.3. The philosophy behind the soum LED strategy

The overall theme of the strategy has been designed to facilitate efforts and participation of local stakeholders for the improvement of the local business-enabling environment and the identification of the primary directions in which donors and investors can best address local needs with assistance and support. The soum LED strategy has been developed from the local knowledge of the soum government, businesses and public to address the immediate and long-term challenges that hinder improvement to the business-enabling environment.

The methodology utilized at each stage of strategy development draws on the most modern concepts of local economic development.

The major approaches of the soum LED strategy are:

- Improving the quality of public services and achieving a constant economic growth through ensuring strong links of the development strategy with all levels

of the soum community. Based on local knowledge and ideas, the community determines projects that could be pursued by the soum government to facilitate the expansion of existing, and creation of new, businesses through improved environment for business development.

- Provide tangible examples to the community on how the process of creating a long-term community vision with goals and objectives can be set as a strategy through the collaboration and creativity of local decision makers and communities.
- Among local communities, create a common understanding and acceptance of LED planning as a tool that leads local stakeholders towards the promotion of local economic progresses and creative participation and contributions
- To provide local businesses and public service providers with the opportunities and potential to utilize the strategy as a community-devoted tool to approach potential donors and investors who can provide sources of financial and technical assistance
- Create an environment that fosters by a collaborative climate, enables transparent and effective governance and responds to the needs and challenges of the community for the development of a prosperous economy and businesses.



PART 2

THE PROCESS OF DEVELOPMENT OF THE SOUM LED STRATEGY

2.1. Guiding Principles and Methodology

The soum LED strategy development process followed a strict methodology, which enabled us to take advantage of various means of encouraging a wider and more committed participation of soum citizens. The community at large was able to take part through the LED structural units, consultations, and general discussions. The voices of different segments of society were heard and taken into consideration through grassroots participation, which allowed us to find a common and comprehensive solution to the issues preventing sustainable economic growth in our community.

Guiding principles. The guiding principles for the successful creation of the strategy were:

- Economic growth and business development must be balanced with challenges in social life, environmental protection and quality of life of all citizens in the community.
- The local government has a role to play in the improvement of the climate for local business development and investment.
- Facilitate public-private collaboration and partnerships to develop sustainable economic growth.
- Application of a holistic approach towards strategic planning that is institutionalized at the soum government level
- Give as much importance to sustaining existing business as to the attraction of new business as both are the key to sustainable economic growth.
- Focus more attention to mobilization and utilization of internal resources and strengths rather than relying totally on external resources for development.
- Use a participatory approach as a collective decision-making tool to pursuing soum economic development policies and strategy

Methodology. The core DELTA methodology was developed and widely applied by the World Bank and OSI/LGI to the design of economic development strategic plans for several communities in Kosovo and Albania. This methodology is considered the best and most systematic among other methods for managing the LED process; ensuring a consensus among the soum community for well-grounded development of a vision statement, goals and objectives and individual development projects that specifically support the business enabling environment.

The basics of the methodology that applied to the design of the soum LED strategy rested upon the coordination of local efforts and resources towards achieving sustained economic growth and better quality of life of soum citizens through creation of a well-balanced environment for advancement in local business development.

2.2. Organizational Approach and Regulation

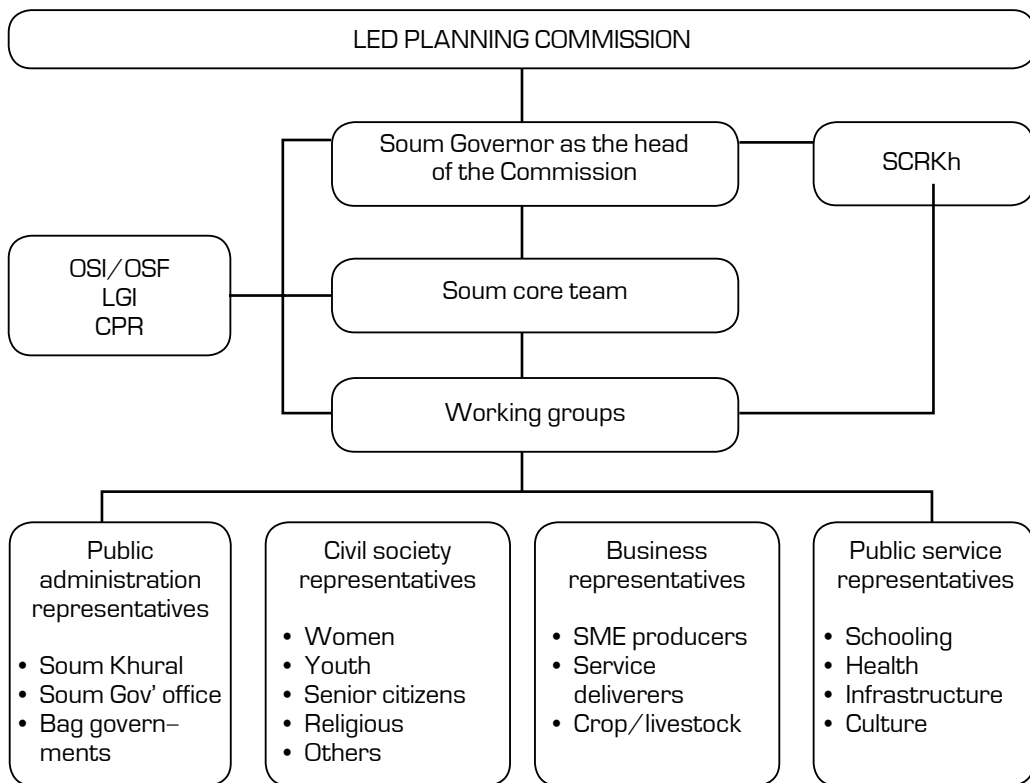
The organizational approach applied to the strategy development was devoted to ensuring a partnership-based participation of the soum administration and representatives of local stakeholders through a direct and institutionalized process.

This participation was enabled through the establishing an independent and institutionalized structure responsible for development, implementation and monitoring of the soum LED strategy and sanctioned either by the soum *Khural* or the Governor.

The Planning Commission. The Planning Commission was set up by decree #02 of the soum governor of January 08 2007. This Commission headed by the soum governor is the main decision-making body for all issues related to the design, supervision and monitoring of the implementation of the strategy. The Commission includes the most experienced and committed citizens and served as a good environment for fruitful discussions, consultations and efficient decision-making. Apart the governor, chairman of soum *Khural* and members of the soum core team, the Commission includes 2-3 people from each of the working groups, which are underneath of it.

The Commission played a lead decision-making role throughout the process; developing reviewing and approving the strategy each step of the way. It will continue to remain active over the life span of the strategy as a coordinating body. Apart from being the body largely involved in the coordination of the design of LED strategy, the Commission played an important role in ensuring broad and committed participation and dialogue between different layers of public and private establishments.

Representation of local stakeholders in soum LED strategy development process



The composition of the Planning Commission:

Head: **M.Tsogt**

Soum Governor & the City Mayor

Secretary: **E.Munktuya**

Manager, Soum business development office

Members:

1. **L.Dorjkhoro**

Chairman, Soum Citizens'
Representatives Khural

2. **S.Lochinlkham**

Deputy governor & leader, soum
core team

3. **P.Baatar**

Member, soum core team & officer in
charge of infrastructure

4. **J.Bulguun-Ochir**

Member, soum core team & Director,
Baruunshand» LLC

5. **L.Gursed**

Member, soum core team & soum
statistical officer

6. **D.Oyundelger**

Director, High school «Trade &
Industry»

7. **Sh.Lkhagvasuren**

Head, soum governor's office

8. **Ch.Batsukh**

Bag governor



9. **J.Altantsetseg**

Director, «FM-107» radio studio

10. **U.Amarjargal**

Secretary, Soum Citizens'
Representatives Khural

11. **Ts.Erdene-Ochir**

Senior officer, aimag social welfare
office

12. **G.Enkhtuvshin**

Director, «Galt Ider» LLC

13. **J.Tumurbaatar**

Director, «Unaga Trade»

Soum core team: A nucleus body that played and will continue to play crucial roles in the development of the soum LED strategy and ensuring its implementation is the core team. The team served as the working organ to interact with the DELTA management and the executing agency and the local stakeholders and other partners interested in and committed to the development of the soum. The core team nominated by decree of the governor of 26 July 2006.

Head: **S.Lochinlkham**

Deputy Governor

Members:

1. **M.Tsogt**

Soum Governor

2. **L.Gursed**
Soum statistical officer
3. **P.Baatar**
Bayankhongor city manager
4. **J.Bulguun-Ochir**
Representative of businesses
5. **E.Munkhtuya**
Manager, Soum business development office



The involvement of economists, statistics, trade management, food processing engineer and sociologists provided a good chance to look at different issues related to the soum economic and business development from different angles, and to enhance the LED strategy as a long-term guideline document. The core team had had a viable and close cooperation with the governor's office, the Planning Commission and working groups to make the public-private partnerships more strengthened and consolidated.

The Working Groups. There are set up four working groups, advisory to the Planning Commission, involving up to five representatives of key stakeholders. One of the members of the core team headed each group. Each group involved over 20 people as representatives of different portions of the soum communities. The soum Citizens' Representatives Khural represented by two people in each group. The idea of establishing four groups was to bring an extended presentation of the local stakeholders in the process. In our case, the working groups acted a liaison body between the grassroots and the soum DELTA management.

Public Administration Representatives:

1. **S.Lochinlkham**
Deputy Governor, economist/
accounting
2. **D.Dondog**
Officer, Aimag Governor's office,
veterinarian
3. **G.Batjargal**
Secretary, Aimag Citizens'
Representative Khural, engineer
4. **G.Tseren**
Head, Aimag State Property
Committee, engineer



5. **G.Jigjidsuren**
Aimag chief agronomist, agronomist

6. **M.Tsogt**
Soum Governor, teacher
7. **L.Dorjkhloroo**
Chairman, Soum Citizens'
Representative Khural, accounting
8. **D.Batjargal**
Member, soum Citizens'
Representatives Khural, Lower
9. **Sh.Lkhagvasuren**
Head, soum governor's office,
engineer
10. **Ch.Batsukh**
Bag governor, veterinarian
11. **S.Baljinnyam**
Bag governor, technician
12. **Kh.Tsetsgee**
Social welfare officer, accountant
13. **A.Tarva**
Bag governor, Animal production
specialist
14. **B.Oyun**
Bag governor, veterinarian
15. **D.Ugantsetseg**
Bag governor, economist
16. **S.Gotov**
Bag governor, veterinarian
17. **L.Tserendolgor**
Accountant, governor's office,
accountant
18. **U.Amarjargal**
Officer, Soum Citizens'
Representative Khural politician
19. **Ts.Alzakhgui**
Officer, Soum Citizens'
Representative Khural, economist
20. **N.Ouyn**
Bag governor, commodity specialist
21. **D.Tserenkhloroo**
Family hospital doctor, medical
doctor
22. **Sh.Khurelbaatar**
Soum land officer, land management
specialist
23. **S.Batsuren**
Soum agricultural inspector, livestock
production specialist

Civil society Representatives:

1. **P.Baatar**
Officer, soum governor's office,
accountant
2. **B.Bazar**
Senior citizen, engineer
3. **D.Altantuya**
Staff «World Vision», medical doctor
4. **I.Batsuuri**
Social worker, secondary school,
teacher
5. **N.Mendbayar**
Specialist, aimag social welfare office,
economist
6. **D.Baasankhuu**
Head, Save the Children Centre,
teacher



7. **Bolortungalag**
Correspondent, «Bayankhongor TV»,
journalist
8. **V.Olzvoi**
Head, «New Youth» Association,
journalist

9. **M.Munkhbat**
Head, Taxation office, economist/
accountant
10. **J.Altantsetseg**
Director, «FM-107» radio studio,
journalist/correspondent
11. **R.Dagdan**
Head, Aimag power plant, engineer
12. **A.Khoogoi**
Senior citizen, journalist
13. **L.Tsedendambaa**
Senior citizen, lawyer
14. **Ts.Renbuu**
Head, Consumers' Association,
medical doctor
15. **Ulzii-Undur**
Senior citizen, teacher
16. **M.Badam**
Senior citizen, politician
17. **D.Bavaadorj**
Correspondent, MONTSAME,
correspondent
18. **Ts.Ochirbal**
President, NAMAC, economist
19. **S.Bayarmagnai**
Coordinator, «Gobi Initiative», teacher
20. **M.Byambaa**
Bi-Enkhtuguldur» LLC, engineer
21. **U.Batbayar**
Politician/teacher

Public service Representatives:

1. **L.Gursed**
Soum statistical officer, statistician
2. **D.Gerelee**
Nurse, soum clinic hospital, nurse
3. **S.Ochirkhuyag**
Family doctor, medical doctor
4. **Ts.Erdene-Ochir**
Senior specialist, Social welfare
office, teacher
5. **S.Baasankhuu**
Head, aimag clinic hospital, medical
doctor
6. **Kh.Purevbaatar**
Social worker, secondary school #4.
teacher
7. **N.Saikhantsetseg**
Social worker, governor's office,
teacher
8. **Sh.Chimgee**
Director, vocational training centre,
teacher
9. **Yu.Adya**
Director, High school, «Business
Management», economist
10. **N.Ouyundelger**
Director, high school, «Trade &
Industry». economist/lecturer
11. **D.Natsagdorj**
State inspector, aimag professional
inspection authority, animal
production specialist
12. **L.Baatar**
State inspector, aimag professional
inspection authority, veterinarian
13. **M.Khosbayar**
Director, Director, «Chandmani» LLC,
engineer



14. **L.Mandal**

Head, aimag nature & environment office, engineer

15. **G.Mandal**

Head, Infrastructure Dept., engineer

16. **T.Erdenebat**

Head, aimag Telecom, engineer

17. **S.Oyunbileg**

Director, «Soogo Seiko» school, teacher

Business representatives:1. **J.Bulguun-Ochir**

Director, «Baruunshand» LLC, teacher

2. **J.Bayarmaa**

Tax inspector, accountant

3. **A.Enkh-Amgalan**

Director, «Des Bulag» LLC, teacher

4. **Ch.Daariimaa**

Officer, governor's office, economist

5. **P.Rinchinpeljee**

Director, «RMB» LLC, economist

6. **Ts.Narantuya**

Manager, public market, cultural worker

7. **D.Gerelmaa**

Owner, «Sonin» centre, cultural worker

8. **M.Ulzii**

Owner, «Dund» market, teacher

9. **Ts.Davaasambu**

Owner, «Naran» market

10. **D.Irina**

Manager, food market, politician

11. **D.Damdinsuren**

Director, «Dulaan» LLC, engineer

12. **D.Purevsuren**

Director, «Zuun shand» LLC, accountant/economist

18. **B.Lkhagvasuren**

Director, Mongol Bank, economist

19. **B.Tumurbaatar**

Director, XAAH bank, commodity specialist

20. **Kh.Ganbaatar**

Aimag chief architecture, architect

21. **V.Gursed**

Head, urban development office, engineer

13. **I.Batdelger**

Owner, «Sulden Tenger» cooperative

14. **Ts.Batmunkh**

«Gan Munkjin» LLC, engineer

15. **D.Nadmid**

Owner, «Khongoriin Sor» cooperative, accountant/economist

16. **D.Batjargal**

Engineer, «Chandmani» LLC

17. **Kh.Naranchimeg**

Director, «Dorniin Gegee» LLC, teacher

18. **J.Tumurbaatar**

Director, «Unaga trade», engineer,

19. **D.Sodnomdorj**

Director, «Naran Eej», LLC, driver

20. **G.Enkhtuvshin**

Director, «Galt Ider» LLC, engineer

21. **S.Ulzijargal**

Business entrepreneur

2.3. Participation and Consultation

For a long time, the local government and community has been faced with a critical need to develop long-term and well-conceptualized soum economic and business development directives that are SMART and locally-accepted. However, the methodology of strategic planning was not understood, and the techniques for attracting wide and committed participation from soum stakeholders were not well developed. The great majority of local people considered development planning a responsibility of the local administration and did not believe they could contribute to the process.

Measures were taken from the inception stage of DELTA implementation, to raise local awareness and commitment to contributing to the development process. The local business-enabling environment survey and SWOT analysis were pioneering activities, involving a broad range of local citizens, businesses and civil society. In addition, a large number of public awareness promotion activities were undertaken through public media. Because of this effort, the majority of soum citizens had access and exposed information about the DELTA project. This created tremendous awareness and promoted local interest in the project

All together, about 80 individual people representing the soum administration, businesses, public services, donor-sponsored projects, and local NGOs were directly involved in the process. The continued efforts to involve more people and organizations in the soum LED strategy development brought about changes in the mentality of the local society making them feel true ownership over the project and its outcomes.

2.4. Business enabling environment survey

The best analytical tool available for looking at the current status of soum socio-economic development, its competitive advantages and challenges is the implementation of the enhanced local business enabling environment survey (LBES) supported by locally-valuable statistical data.

The LBES survey, which included 41 groups of questions designed to identify local perceptions of the business development and the environment in which the local businesses are operating as well as collect data concerning the basic spheres of the soum economic and social life over the last 5-10 years. The LBES data, served as the main source for the conclusions developed in the subsequent SWOT analysis.

The private sector, through the LBES, identified the current role that the government plays in soum economic advancement and ensuring a favorable business environment.

The areas upon which the survey focused were:

- (i) to gather data, materials and evidence that will help to understand this primary concerns of local businesses;
- (ii) to collect data that qualifies the existing strengths and weaknesses in soum socio-economic life and the problems local businesses face in attaining growth of their businesses.
- (iii) to track local views and perceptions to be familiar with the needs and challenges of improving business enabling environment.

It is worth to notice that the soum stakeholders paid attention to ensure arrangements for the creation of LED strategy were in place at all levels. The wide involvement of local stakeholders in the survey and inclusion of their suggestions and perceptions in different components of the soum LED strategy facilitated the process of achieving a common understanding with reference to the needs of local development. The concerns and perceptions of business groups will and remain a strong influence on the soum economic growth are incorporated in the soum LED strategy.

The findings of the LBES also serve as long-term guidelines for soum economic development based on strong public-private partnerships and regular monitoring and revision of the strategy.

2.5. SWOT Analysis

A comprehensive SWOT analysis was undertaken to compile the findings of the LBES and to draw viable conclusions for the current and future situation of soum economic development and to determine strategic options for the solving problems related to the business-enabling environment. The SWOT analysis touched upon the main problems that soum businesses have encountered and assessed the potential solutions to those issues that may appear in positive and negative manners through SWOT combinations. This approach resulted in the identification of the most specific and feasible directions for development and served as the background for the design of a soum economic development strategy.

The SWOT analysis led to the identification of strengths and opportunities as strategic perspectives to achieve better results. Appropriate activities to overcome potential weaknesses and treats were identified and drawn out. The findings of the SWOT

analysis are the baseline source of information for the detailed review of the soum economic development and local business-enabling environment and for the creation of this development strategy.

The creation of the SWOT analysis relied on the analysis of soum statistics and the stakeholders' meetings, where the LBES findings were presented and discussed. Identification of the four elements of the SWOT matrices in relation to the public service and local business development became important to devise SWOT combinations: «Strengths-Opportunities», «Strengths-Treats», «Weaknesses-Treats» and «Weaknesses-Opportunities». The outcomes of this exercise served as the foundation on which the «Vision-to-Project» matrix was developed.

2.6. “Vision–goals–objectives–projects” Matrix

Vision statement: The vision statement reflects the commitment and long-term desires of the community and represents the destination that wishes to be in the future. The vision also guides the community towards achieving the goals and objectives of the strategy. The vision statement advocates how the implementation of the strategy could be arranged based upon the status of socio-economic development, economic capacity, natural resources, business experience, traditions and customs as well local culture.

It also provides the soum administration and citizens with a clear direction to promote and mobilize resources effectively. The vision succeeded in generating wide mid-term insights and perceptiveness on the local development, which guarantees a better coverage of the components of the strategy along with their feasibility, and achievability. Attempts were made to identify specific things that would verify the statement to show that the vision has its roots in the economic, natural, cultural and historical realities. It should be noted that the vision is flexible and can be revisable to reflective changes in the community as the strategy is implemented.

Goals: The local economic development strategy is about creating improvements that are measurable in both spatial and time dimensions. The design of the strategic goals aimed at helping the soum community decide how to formulate the outcomes of the strategy through predictable and measured changes and improvements. The first step in goal development was to determine the overarching means that will lead to the successful realization of the vision. The goals are grounded in the common and specific aspects of soum economic development and clearly identifying the feasible priority directions for the strategy. A great deal of emphasis was given to the goals so that they would provide a solid link between the vision and objectives.

Objectives: The objectives represent important tools that lead to the vision via the goals and that connects the goals with the programs and projects. The objectives set the targets and performance standards that are used for the evaluation and monitoring of the overall implementation of the strategy as well as the individual sets of goals and projects. The objectives are direct continuation of the goals. The objectives help the community to seek ways to overcome weaknesses, exploit opportunities and deal with threats identified in the soum economic assessment.

Programs: The strategy includes a number of programs, which represent a group of similar projects that are together to achieve particular objectives, e.g. they are directly aimed to fulfill objectives. The programs are identified as an intermediate level that connects objectives and specific projects. The programs in the strategy can be latterly converted into large development programs by incorporating projects.

Projects: A conventional strategic plan, as a rule ends with an activity plan. In our case, the projects are derivatives of the programs and represent the last chain of the whole Vision-to-Project matrix. Each of the projects include a project fiche, where its overall details are outlined: project description, expected outcomes, potential contributors, preconditions and risk factors, approximated costs and predicted financing sources. The procedures of the selection of the projects were multilayered. The core team and the Planning Commission with active input of the Working groups, compiled the initial proposals, and were in charge of the overall oversight and finalizing of the projects. A total of 50 projects with their fiches are included in the soum LED strategy.

Local Business Promotion Directions: In the view of the importance of local enterprise development for soum economic growth and community development, the strategy devoted some room accommodate local ideas for potential specific business creation. The economic development strategy has an attached a list of 38 specific directions. The ideas about the directions came from different groups of the local communities through the working groups, consultation and public meetings.

2.7. Expected outcomes

The DELTA strategy is expected to produce a number of direct and indirect outcomes. The major benefits are:

- The strategy will guide the soum *Khural* and governor's office when making annual budget proposals so that the contribution by the soum can be earmarked in the annual budget plan.

- Public-private partnerships to arrange co-financing of key projects of the strategy strengthened
- Responsibilities/roles and activities to be undertaken by organizations and agencies in the framework of the implementation of the soum LED strategy facilitated and supported
- Locally-applicable arrangements for the continued evaluation and monitoring of the implementation of the strategy adopted and maintained
- Lobbying and negotiating with potential donors and investors interested in or being involved in projects improved
- Local resources and potentials for the soum economic development identified and exploited
- Business and business enabling environment information networking improved and sustained
- Capacity of public service organizations and quality of services they offer improved

2.8. Strategy Implementation

The strategy represents an official document for the soum government, organizations and businesses to direct them on key development policies and actions. It is evolving document that requires regular review and updating. The process of the development of the LED strategy of Bayankhongor soum has gone through four key stages, which will continue throughout the implementation.

1. Activation of financial resources and allocation of funds
2. Realization of public-private partnerships
3. Timed monitoring and evaluation, and
4. Reviewing and updating

The timeframe for the implementation of the strategy is far longer than the political mandate of soum government. In this sense, the success of the strategy is directly dependent, on how newly appointed government will exercise its continued mandate and sustain participation of local stakeholders.

As the main body responsible for the implementation of the strategy, the soum government will make its best efforts to find and allocate funds for the financing projects. The government will handle updating and amending the strategy with new proposals and it will be in charge of getting approval of such improvements from the soum *Khural*.

The soum administration will therefore be responsible for coordinating implementation of both the strategy and individual projects and make sure that the strategy is reviewed and monitored. Lobbying donors, international organizations and central government for funds financial sources and technical support will remain as the key task for the government.

As the community sees more progresses in the implementation of the strategy, their interest and willingness to participate, will increase. Therefore, regular review and evaluation over the status of the implementation of the strategy will be conducted with the community so that the strategy can address new requirements and challenges. Since the project is a product of the soum community, the duty to conduct E&M will be rested with the soum administration with stakeholders' participation. The role of the Planning Commission is also of extreme importance.

2.9. Strategy Implementation Management

The Planning Commission reviews and evaluates the strategy implementation. The Commission will hold 1-2 meetings annually to discuss the annual report by the leader of the core team, E&M findings, and approve and make necessary amendments. The Planning Commission will hold a general meeting to prepare an annual strategy implementation report and proposal to update the strategy to present to the soum CRKh for approval. Even though the composition of the Commission may change, the responsibility to coordinate the overall implementation of strategy will not.

The governor's office will be fully and directly responsible for the implementation of the strategy mainly through:

- Support of the Planning Commission with adequate administration and logistics
- Coordinate and administration of activities of actors identified in the strategy and who become involved later during the implementation period
- Dissemination of information on strategy implementation and to solicit feedback to introduce new forms of information networking
- Conduct E&M every second year and prepare suggestions to make changes or amend the strategy for discussion by the Planning Commission followed by approval by the soum CRKh

2.10. Financing of the strategy

Apart from seeking investment and funding from the central budget, the soum government and other stakeholders will make significant efforts to attract other financing sources through donors, investors and other potential contributors for immediate and long-term investments. Direct local investment for the implementation of project for the promotion of local business development will provide significant opportunity to raise the financial resources for strategy implementation.



PART 3

OVERVIEW OF BAYANKHONGOR SOUМ

3.1. Souм Administrative Bodies and their Structure

Historical Background. The foundation of Bayankhongor souм (city) as an independent administrative unit began with the decree #115 of 1957, of the Presidium of the Small Khural of People's Republic of Mongolia and the resolution #91 of the same year, of the Executive Administration of Bayankhongor aimag to establish an administrative district unit consisting of 3 sub-districts.

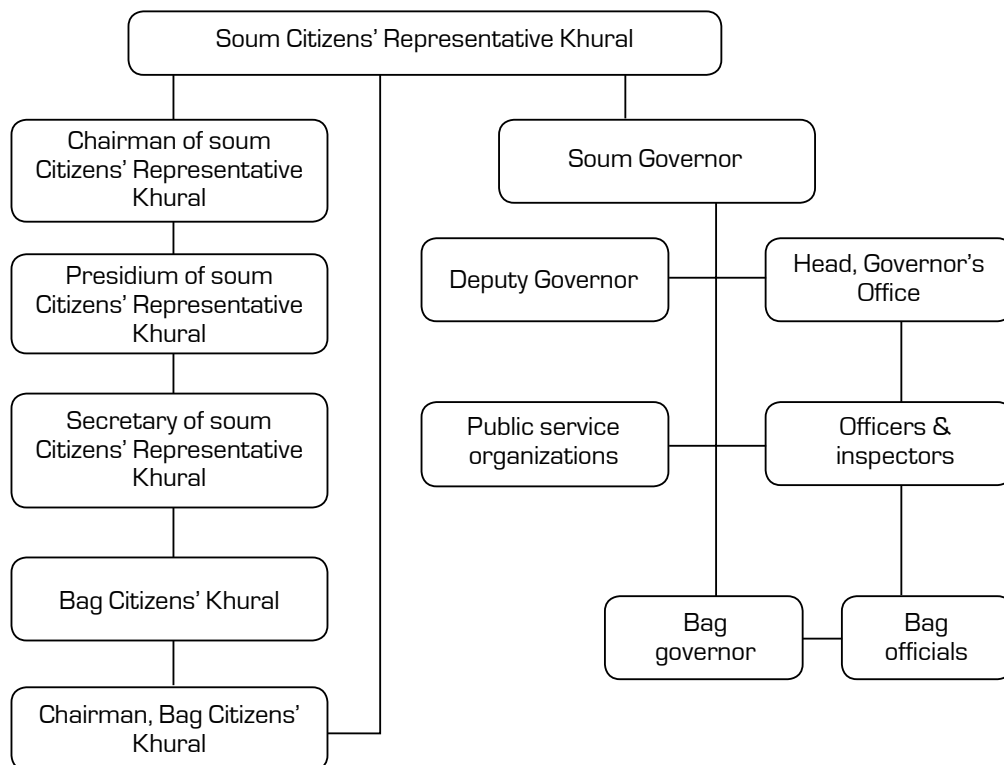


The present soum Citizens' Representative Khural was nominated after the local elections held in October 2004. Twenty-five representatives of two main political parties share seats in the *Khural*.

Bayankhongor soum has 8 administrative units: 7 bags (Nomgon, Erdenemandal, Duursakh, Ugalz, Tsagaanchuluut, Gegeen Savi, Tsakhir) and a village of Shargaljuut. The staffing of Governor's office includes 30 government employees and support staff: a representative of the State Treasury, officers in charge of statistics, social welfare, taxation, food and agriculture and land management, and inspectors of nature and environment inspector, social welfare, civil registry and information and financial accounting.

Over the period since its establishment, it bore a status of an independent rural town as the centre of Bayankhongor aimag. In 1992, when a new administrative reform under the new Constitution implemented, the status of the town was terminated and

Organizational chart of Local self-governing structures



it re-organized directly as a soum of Bayankhongor. Lately, the existing village of Shargaljuut came under the soum administration, and the soum became an entire administrative unit in terms of territorial and resource bases. With this re-organization, the city of Bayankhongor became a part of the soum. Thus, the governor of the soum holds an official nomination of Mayor of the city of Bayankhongor with all legal responsibilities and powers.

A wooden pillar, built in 1945 to commemorate the fact that Bayankhongor aimag was the first aimag, whose people voted unanimously for the Mongolian National Independency during the Referendum hold on October 20, 1945, was recognized as the identity of the city of Bayankhongor. In 1974, on 50th anniversary of Mongolian People's Republic, the pillar was re-built as the Independency Monument and accepted as the symbol of the city.

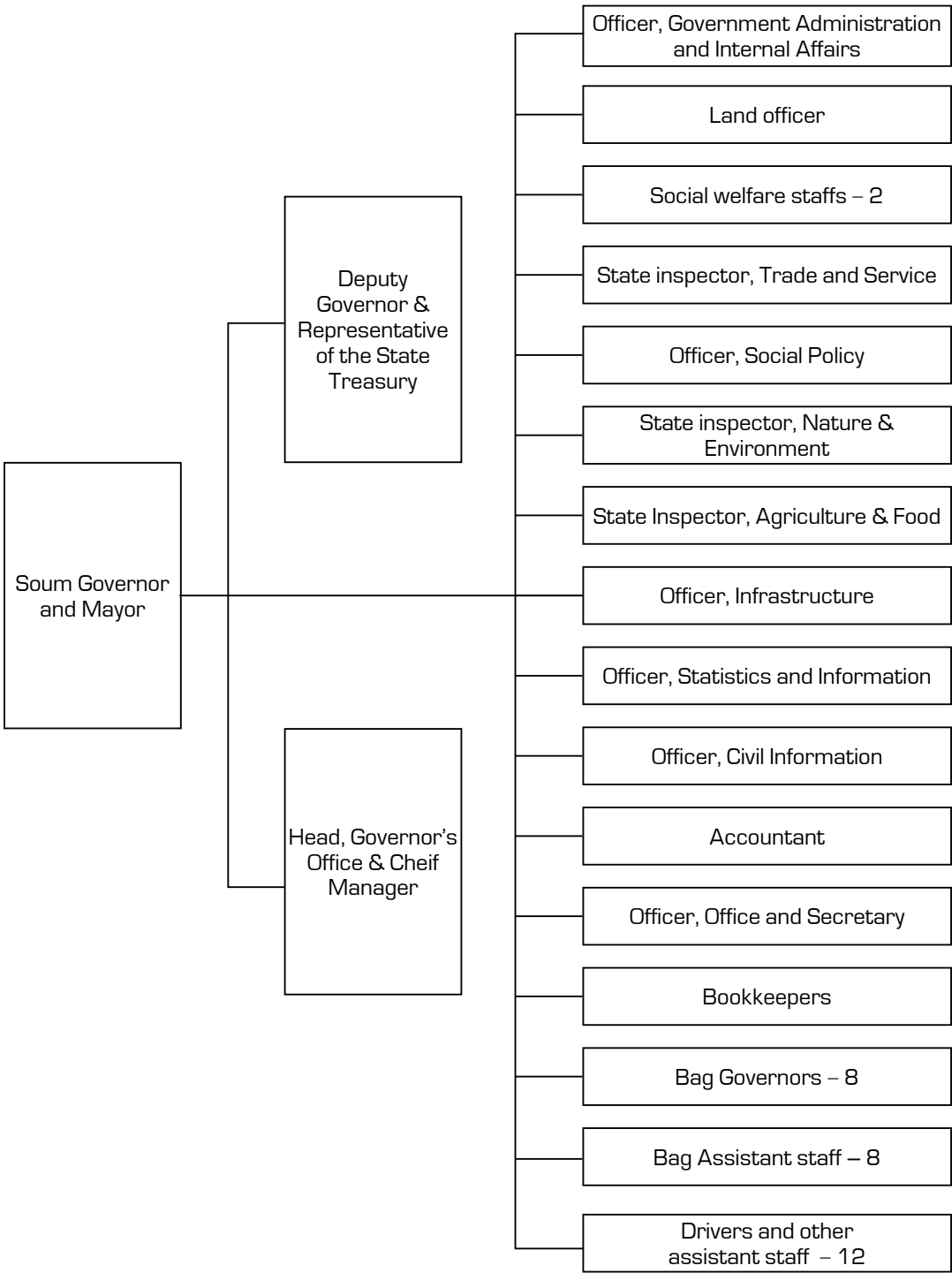
Bayankhongor soum belongs territorially to the Khangai economic region. The mid-term (2006-2015) economic development plan of Bayankhongor aimag delineates the town of Bayankhongor as an economic centre for neighboring soums: Bayan-Ovoo, Erdenetsogt and Ulziit. Therefore, a statement of «becoming a regional economic centre» has been included in the strategic vision.



3.2. International relations

In the framework of a joint movement «One bag – one best product», a bilateral cooperation agreement has been made with the Oita prefecture, Japan to undertake market surveys for export of local best products and exchange of shows of goods and service. Accordingly, a number of bilateral activities are underway. Since 2002, bilateral contacts with relevant administrative units of ROK, China and Poland have established and agreements for cooperation in the fields of socio-economic development have made. Consequently, some inception activities are in progress. In the future, top priority goals in the area of international relations would be to advance soum economic development, to train local staff in partner countries, to introduce progressive technologies and «know how» in priority areas and to expand further international relations in order to increase export of soum-produced goods.

Organizational chart and staffing of the soum Governor's Office



3.3. Geography, climate and natural resources

Geographic location: Bayankhongor soum (city) is located in the southeastern part of the aimag territory and shares borders with Bayan-Ovoo, Erdenetsogt and Ulziit soums. The 6.4 thousand sq. km area, where the soum is located represents typical steppe at an average altitude of 1845 meters above the sea level.

The soum centre, which is based in the city of Bayankhongor, spreads over sandy plains across the western foot of the Nomgon Mountain – the eastern part of Khangai mountain ranges along the western terrace of the Tui River, which provides good opportunities for further expansion of the town. Remoteness from important cities are: 620 km from Ulaanbaatar, 370 km from Kharkhorin, the regional core centre, 210 km from Arvaikheer (the centre of Uvurkhangai aimag), 400 km from Altai centre of Gobi-Altai aimag and 195 km from Tsetserleg (the centre of Arkhangai aimag). According to urban development evaluation, the land under the city of Bayankhongor is appropriate for modern and urbanized city development: the land slope is 0.7 degree, the depth of the dynamic underground water level –6 meters, it is rich with natural water deposits, and the seismological index is 0.8.

Climate: Harsh and sharp continental. As for the temperatures, the annual mean is 0.5°C above zero. Maximum mean temperatures recorded in July exceed plus 30°C. The mean temperatures in cold seasons are minus 23°C and plus 18.6°C is the average for the warm season. The annual mean precipitation ranges around 238.2 mm, with a rise in rainy years up to 315.1 mm.

Natural resources: The whole territory of the soum, which lies across the basins of Tui and Shargaljuut rivers, represents a generally plain steppe lowlands with numerous low hills. It is scarcely vegetated with grass and bushy plants. Not all resources on the soum territory are fully explored. By now, deposits of iron ores, chalk rocks, fine-structured clay and sand and fine gravel stones are widely uncovered. Since all these resources and deposits are located close to the soum centre, it provides good possibilities for extended production of construction materials. For example, the gravel deposit in Nomgon Mountain is at 3 km from the soum centre, chalk rocks at Shokhoin Bulan – at 6 km, Bumbaga yellow clay – at 12 km, and sand deposit at Zeeg – at 2 km. The immediate goal for local stakeholders is to find ways to use these resources for SME development. There is evidence that granite from «Chuluu khagalaachiin durulj», located nearby the soum centre, was used for repair and maintenance of the temples of Lamiin Gegeenii Khiid.

Land Resources: According to the aimag Land Authority, the size of territory of Bayankhongor soum is 6.4 thousand sq.km.

Land resources, Bayankhongor soum

Types of land	Size, ha	% in total land
Total territory	6400.0	100.0
1. Agricultural land	5145.2	80.4
• Pasture	5121.2	99.5
• Cropland	24.0	0.5
2. Urban land	991.3	15.5
3. Land under roads and communication	207.6	3.2
4. Land with water	47.4	0.74
5. Mining areas	6.0	0.09
6. Forested land	2.5	0.04

Source: Soum annual statistics, 2006

77.9 ha out of 991.3 ha of urban land are allocated for urban constructions, 17.8 ha - for industrial area, *ger* districts take 134.4 ha and 767.6 ha are common areas. Roads cover 55.3 ha, 9.8 ha are used for air transportation services and 142.5 ha for electricity constructions. 1.0 ha out of 2.5 ha forested land are for tree nursing and 2.5 ha are taken by forests. The river and spring water takes 44.5 ha out of 47.4 ha, and wells take 2.4 ha.

3.4. Demography: growth, human resources, capacity

Soum population growth. By the end of 2006, the number of officially registered residents of Bayankhongor soum counted for 26588 with a share of women - 50.6%.

1997	1998	1999	2000	2001	2002	2003	2004	2005	2008
23494	23293	19468	20501	22698	25150	26100	27160	26252	26588

The profile of the soum population growth shows that there was a significant drop in 1999 followed by a trend of steady increase since 2000.

Mechanical growth of soum population. The mechanical growth of soum population over the last 8 years tends to decline with an exceptional and sudden growth peak in 2002.

The mechanical growth of soum population over the last 8 years

	1999	2000	2001	2002	2003	2004	2005	2006
Births	835	987	964	898	839	883	463	403
Deaths	116	121	142	173	182	135	192	188
Out-migration	319	339	309	493	427	574	494	366
In-migration	358	459	1120	2672	123	202	346	593
Mechanical growth	758	986	1633	2904	353	376	123	442

Source: Soum annual statistics, 2006

The high mechanical growth before 2000 was caused mainly by rural to-urban migration in the first years of transition to a market economy. In the early 2000s, a mass immigration of herding stockless families from the consecutive *zud* and droughts in 1999-2002 to the aimag centre, caused 2-3 times increase in the mechanical population growth. However, such a rural-to-urban migration has been quite low these days, which results in a significant decline in the mechanical growth of the soum population. In addition, the low birth rate has been influential to a declined growth.

Population age composition. As grouped by the age categories, the shares of different age groups are as follows: 30.4% - children under 16.41% - youth under 35 and 6.7% - people above 61. The population tends to get younger and the high portion of young people under 35 is a favorable factor that would largely contribute to the future growth of the population.

Employment: On the average for the last three years, 9447 persons have jobs of various profiles, which suggests that more than half (56.5%) of the people of working age are employed. Women make up 44% of all employed people. In the present situation, when the share of young people is growing and poverty is increasing among different categories of the population, measures aimed at expanding soum businesses and creating jobs for increased employment are essential.

Changes in the number of labor force¹

Years	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
No	6032	6192	5132	4420	4788	5440	5564	7576	7606	7626	9447

Source: Soum annual statistics, 2006

¹ No citizens with fewer livestock and undeterminable low income are included

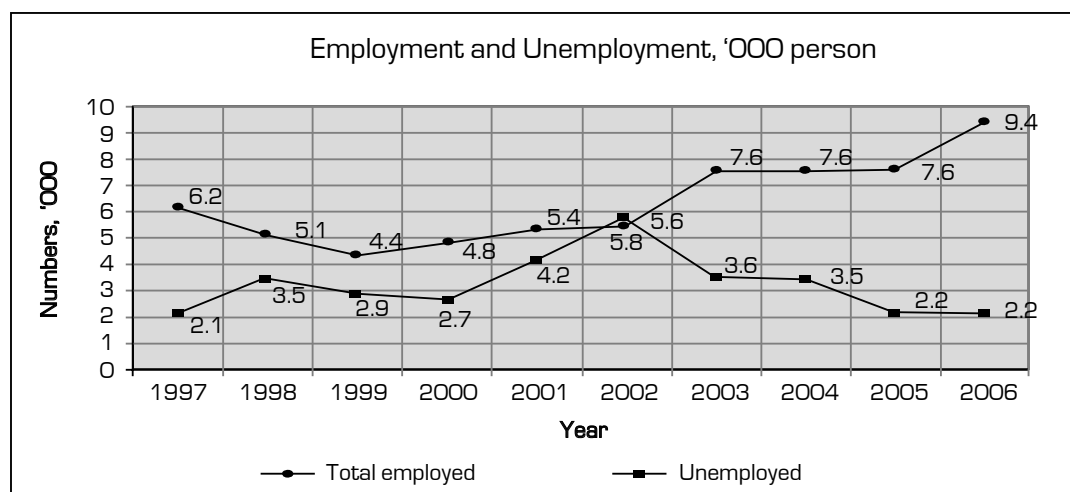
In 2006, 935 people were provided with jobs, out of which 235 people got permanent jobs. 933 people attended professional and skill-upgrading training arranged by the aimag labor authority and 272 acquired new professions. 2874 people of working age are studying at secondary, vocational schools and high schools, colleges and universities. Among those, 60.6% are female.

Unemployment: The number of unemployed people in Bayankhongor soum is highly determined by and correlated, to the patterns of rural-to-urban migration.

Years	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
No	2144	3502	2957	2660	4216	5854	3598	3478	2241	2173

Source: Soum annual statistics, 2006

A good case of this phenomenon can be the high in-migration and high unemployment in 2001-2002, when those two figures came close to each other. Since then, the number of unemployed people went down. As of the end of 2006, women comprise 61.9% of unemployed people and 58.6% of people actively seeking jobs.



Source: Soum annual statistics, 2006



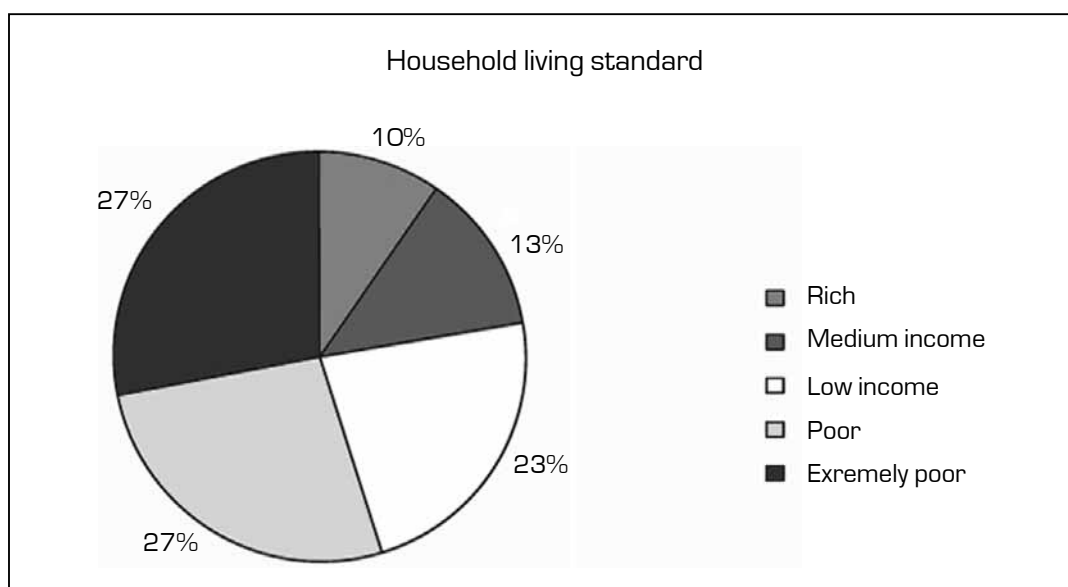
PART 4

SOUM ECONOMIC REVIEW: CURRENT AND FUTURE PERSPECTIVES

4.1. Household living standards

As of 2006, 19306 poor and extreme poor people lived in 5096 households, which made 76.3% of total 6560 families. There are 2185 extremely poor households with 8668 family members. In total, the income and living standards of 72.6% of all people are below the official poverty line. The medium and wealthy families make up around 23.7%.

In 2006, 49 families built themselves 2-3 room apartments. In general, 601 families or 10% of total families live in apartments, and the remaining 5959 families reside in *ger* districts.



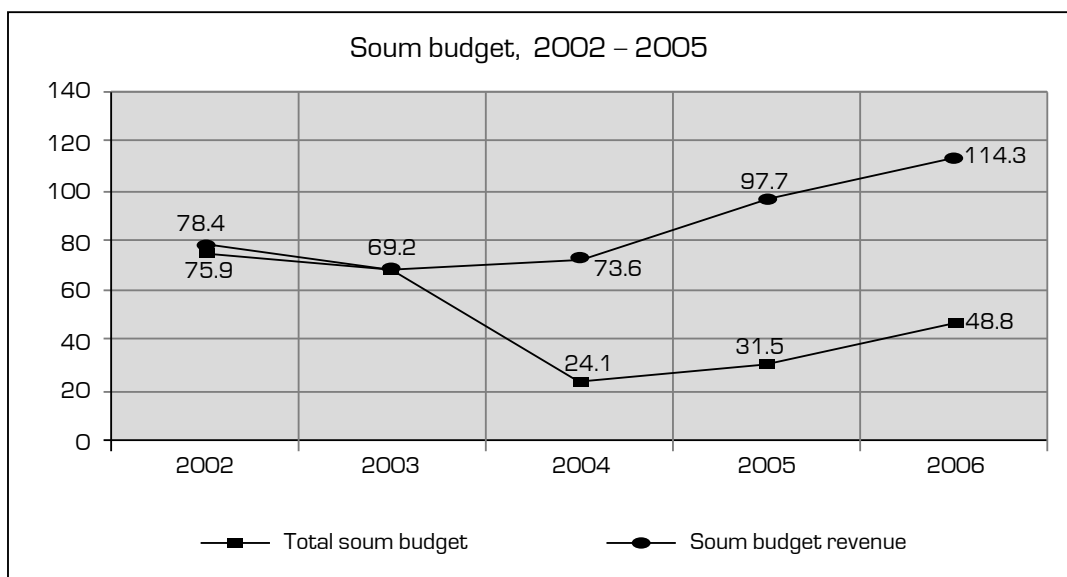
4.2. Budget sources and their expenditures

Over the last 5 years, the annual budget of the soum has been increasing by 6-14.5%. High fluctuations in the local budget revenue are due to the fact that income earned by some branches and daughter companies operating in our soum was collected by

Budget revenue and Expenditure, mln. tugrigs

Budget and Expenditures Indicators	2002	2003	2004	2005	2006
Soum total budget	75.9	69.2	73.6	97.7	114.3
Soum budget revenue	75.9	69.2	24.5	31.5	48.8
From local taxes	15.6	9.7	10.1	18.4	19.0
From local tariffs	57.8	57.1	13.0	11.9	28.4
From other sources	2.5	2.4	1.4	1.2	1.4
Total revenue from government budget			49.6	66.2	65.5
Soum budget revenue, (%)					
From local taxes	20.5	14.0	41.8	58.7	38.9
From local tariffs	76.2	82.4	54.0	37.6	58.3
From other sources	3.3	3.6	4.2	3.7	2.8
Central Budget, (%)	3.2		67.3	67.7	57.3

Source: Soum annual statistics, 2006



the aimag government. Up to 2003, the soum was self-financing. However, with the approval of the new Public Administration and Financing Law in 2003, 57.3-67.7% of the total soum budget is subsidized from the central government budget.

50.7% of total expenditures are allocated for salary and wages, 2.8% for fuel, 2% for communication, remaining 29.8% for covering other expenses. Investments by international projects in 2006 were 881.6 thousand tugriqs.

Although the soum total budget and soum budget revenues have a trend to grow, the share of local income in the total budget revenue remains low: 32.7-42.7%.

38.9% of total local budget comes from local taxes, 58.3% from local tariff fees and 2.8% from other sources. The soum has been exceeding the targets of local budget revenues, thanks to which local expenditures were fully financed.

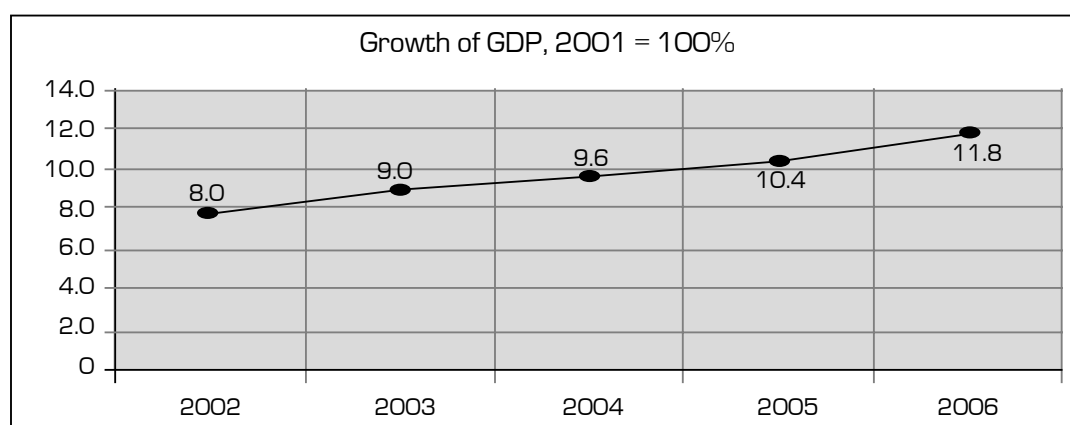
4.3. Gross soum outputs

The outputs of trade and services, which are the fastest growing sectors over the last 5 years, comprise 67.4% of the soum GDP. By the volume of annual output, the next are food and agriculture – 19.4%, energy and heating - 8%, transportation and communication – 4.8% and construction and construction materials – only 0.4% each. Therefore, the main sectors dominating in the soum economy are trade, service and livestock production.

Soum GDP, by sectors, mln. tugrign

Sectors	2002	2003	2004	2005	2006
Trade	116.4	134.3	123.4	147.6	835.5
Service	5804.8	6309.9	6411.9	7169.0	7808.0
Transportation	20.0	26.0	28.0	29.2	31.4
Communication	392.3	471.2	547.5	562.3	592.6
Energy	9374.7	8982.0	8622.9	3238.1	1028.6
Livestock	1000.0	1300.0	1660.3	1990.0	2196.0
Food	175.3	234.4	221.2	129.4	148.1
Crop	325.1	444.1	628.2	328.4	145.8
Others	149.3	50.5	70.7	26.9	28.0
Soum Total	17357.9	17952.4	18314.1	13620.9	12814.0

Source: Soum annual statistics, 2006



As for 2006, the soum produced a total output of 12814.0 million tugrign, which is lower compared to 2005. This is because the aimag centre was connected to the central electricity grid, which caused reduction in the local output of energy.

A general trend observed is that the GDP outputs of all main sectors are on the rise.

4.4. Review of main public and business sectors

Production, trade and service. During the first years of transition to the market economy in early 2000s, numerous state-run industrial, trade and service enterprises were disbanded and privatized. As a result, many private SMEs and companies emerged to replace them.

Growth in the numbers of business entities, including herding households

1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
350	400	445	498	600	800	970	1110	1250	1277

As of 2006, 80% of the soum GDP is produced by the private sector, where some 386 entities and organizations operate in a stable way. As separated by types, 139 LLCs, 7 shareholding companies, 5 credit and saving cooperatives, 71 service cooperatives, 148 micro-businesses and 607 herding households are operating in the soum.



Number of employees by sectors

Sectors	Private sector		Public sector		Total	
	No of entities	No of employees	No of entities	No of employees	No of entities	No of employees
Livestock	607	1274			607	1274
Crop	142	320			142	320
Food	46	625			46	625
Energy, heating & water supply	6	269	2	87	8	356
Construction	14	620			14	620
Mining	2	349	1	178	3	527
Other	13	75			13	75
Subtotal	830	3532	3	265	833	3797
Trade	119	1429			119	1429

Sectors	Private sector		Public sector		Total	
	No of entities	No of employees	No of entities	No of employees	No of entities	No of employees
Communal service	21	321			21	321
Transportation	80	360			80	360
Communication	3	6	2	12	5	18
Hotels	5	12			5	12
Restaurant and food shops	51	308			51	308
Other	91	162			91	162
Subtotal	370	2598	2	12	372	2610
Public sector			10	350	10	350
Banking and finance	5	10	10	95	15	105
Education	1	40	6	1722	7	1762
Health	12	49	4	833	16	882
Other	24	34			24	34
Subtotal	42	133	30	3000	72	3133
Soum total	1242	6263	35	3277	1277	9540

Source: Soum annual statistics, 2006

As aggregated, 1277 private entities, public organizations, and family businesses provide 9540 people with jobs.

By the numbers of the employees, the industrial sector, which provides 40% of employees with jobs, is in the lead, followed by public services – 1/3.

Livestock. The livestock sector, which is in second place by its contribution to GDP, remains as valuable as it had been earlier. As for composition of the soum herd, goats take up 49.5% or over half of the herd, sheep - 23.9%, cattle- 10.1%, horses – 2.7%, camels- 0.7%. 96.5% of the soum total livestock are in private ownership of herding families and livestock keepers. Only 3.5% is owned by other organizations.



2006 soum herd size statistics, by bags

Bags	Total	Camels	Horses	Cattle	Sheep	Goats
1 Nomgon	4542		132	364	1312	2734
2 Erdenemandal	7442	3	192	581	1957	4709
3 Duursakh	5201	1	135	420	1471	3174
4 Ugalz	14042	15	517	1061	4596	7853
5 Tsagaanchuluut	6850	1	167	642	1679	3861
6 Gegeen Shavi	8541	15	306	474	2049	5697
7 Tsakhir	17207	37	296	919	4059	11896
8 Shargaljuut	19989		963	5418	4736	8879
9 Organizations	3027		14	233	2071	709
Soum total	86341	72	2722	10105	23930	49512

Source: Soum annual statistics, 2006

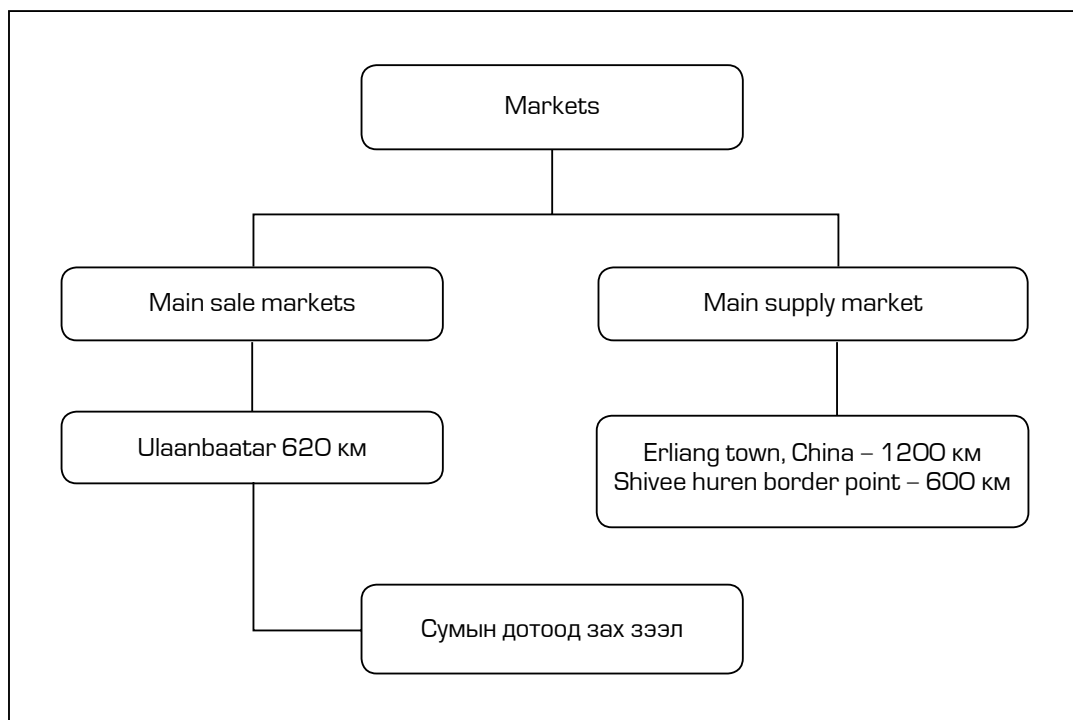
The livestock distribution varying across bags and increased growth of goats making up a half of all herds is an issue calling for a serious consideration. Some 13.8% of soum population is dependent on livestock production as the source of livelihood. 62 households own less than 100 heads of livestock and 460- over 100 heads. Pig and poultry farming has started too recently to contribute significantly to economy. The soum has 75 water points, of them 15 drilled wells, 13 pools, 47 manual wells and 139 barns. There are 4 veterinary cooperatives. Soum prepared 6 tons of cultivated feed, 55 tons of hay and fodder.

Crop production: Around 1000 households and 20 organizations in the soum cultivated 135.1 ha land for vegetable growing. Main crop fields located in Bor balgas, Bumbat, Khoolt and Shargaljuut are cultivated by 142 families and entities. Over 830 households grow vegetables in their *khashaas*. The total harvest was 98.8 tons of potatoes and 43.7 tons of vegetables. 9000 elm and poplar trees were planted in 2006 in the streets and squares to improve green areas of the city of Bayankhongor.

4.5. Markets and Marketing

The marketability of home products and performance of the supply markets is determined by the location of the souм and patterns of local industrial output and consumption. In many cases, agricultural raw materials and locally processed products are sold to markets in the souм and city, whereas consumer goods are imported from Ulaanbaatar and through cross-border trading. Concentration of population and businesses in our souм as it harbors the aimag centre with extended outreaches to other souмs allows providing trade and services to total aimag population, which favorably affects the local economy.

In terms of markets and marketing, the souм faces challenges to expand its businesses to meet demands of the aimag and souм and to enter the national and foreign markets. In this regard, priority goals are to create wholesale markets to supply other souмs with consumer goods, develop SMEs to process, and market agricultural raw materials. Production of new products, promotion of souм brand products along with extended export to other domestic and external markets, better quality of products and services meeting modern requirements is important. There is a need to develop tourism as a new service.



4.6. Education, culture, tourism and health services

Education: The soum has seven secondary schools attended by 9434 students and employing 355 teachers. All together, 1762 personnel work in the educational service, of them 1234 are women. 1031 students study in the aimag proccessional vocational school, which offers training programs in 13 specializations. High schools located in Bayankhongor soum have been successfully operating as a principal part of the soum educational service. The soum has two institutes, the Trade and Industry Institute and the Institute of Economy and Accounting «Khongor», where 360 students study.



The soum informal education program covered 15194 adults and 423 people attended life skills training. Of total population, 30.2% are young people of 18-35 years of age (7942): 26.8% of them or 2128 person study at universities, institutes, colleges and vocational schools.

Amongst the total population, there are 1883 preschool children, 9434 secondary school pupils and 2128 students. The number of educated professionals is 10875.

Health service: This sector employs 254 people including 223 women. There are 51 medical doctors, 17 medical assistants, 4 obstetricians, 83 nurses. 25 people are employed by a private hospital with 70 beds and 6 family hospitals employ 24 staff. The remaining staff at health sector works at the aimag clinical hospital. The sector provides its services to 189042 patients annually and 63387 persons were covered with preventive measures. Establishment of a health education system for the soum population, introduction of modern equipment and technologies in order to upgrade diagnostic and service capacities and providing people of all age categories with facilities for physical development and fitness are among the most needed objectives in this field.

Culture and sport: As the main cultural premises, the soum has a Musical drama theater with 400 seats, a cinema, a national history museum and a natural history museum. In 2006 the theater became named after S. Luvsanbandan, a prominent Mongolian academic. Annually, the theatre has 32.5 thousand spectators of different cultural events. In the future, the main goals are to extend the scope of cultural services to audience and to attract tourists and visitors by promoting 8 historical sites



and cultural heritage at domestic and international levels, organizing folk art festivals, making a registry of cultural items hold by soum citizens and establishing a special foundation.

Tourism and Traveling. In Bayankhongor soum and in the surrounding areas there are many unique historical and cultural objects and sites, such as Shatar chuluu, rocks with ancient inscriptions and writings, Bor Balgas, Khshuugiin am, ruins of Lamyn Gegeen temple. In the soum centre, sites to see are modern monuments – the Independence monument, the Friendship complex and the Erdenekhairkhan religious complex.

The local Natural history museum, rich in unique exhibits, receives 5875 visitors a year. There are no other museums of that kind in other soums or aimags. The Natural history museum displays a fossil skeleton of a carnivorous dinosaur – Tarbosaur, which lived 70-130 million years ago. It was discovered in a place Bugiin Tsav, in Bayangobi soum in 1981. This famous exhibit is a doubtless attraction for tourist and visitors.



A nationwide famous thermal mineral resort «Shargaljuut» with 108 thermal and cold artesian springs hosts over 3000 people annually. Along with this, the soum as the aimag centre has favorable conditions for tourism development in cooperation with other soums of own aimag, based on a unique natural beauty of three natural zones – the mountainous, steppe and the Gobi. The natural beauty of the soum attracts domestic and foreign tourists, visitors and holidaymakers.

That is why the soum LED strategy has put forward tourism development as the first priority of the mid-term economic development. Measures to be taken include:

- To set up a local structure of tourism management and link it with the national network;
- To develop a tourism master plan and expand the scope of information, promotion and education
- To develop tours to historical and cultural sites, to link them with the aimag tourism activities
- To attract foreign investment in road construction and tourism in order to advance its development
- To set up an international resort on the basis of Shargaljuut
- In order to develop tourism to support development of accompanying services such as handicrafts, sports and arts, hotels and catering, trade and services

4.7. Infrastructure and communal service

Electricity and Heating: With construction of a 210 kW high voltage line Arvaikheer-Bayanteeg-Bayankhongor in 2005, the soum citizens and business/public organizations, which make 32% of the total aimag population, were connected to the central power grid. At the same time, 187 out of 607 or around 32% of herder households were provided with solar energy facilities. As a result of the efforts by the soum to upgrade electricity lines within the city of Bayankhongor under a local program «Reducing energy losses», a 71 km lines of 8 substations in Ugalz, Tsagaanchuluut, Gegeen Shavi and Duursakh bags were renovated.

Heating to the public organizations, large businesses and apartments is provided through 6 centralized boilers, whereas the majority of small business and services run their own low-pressure heating systems. Immediate mid-term goals in areas of infrastructure and heating are:

- Continue repair and rehabilitation of electricity lines within the city, educate users – general public, public organizations, business enterprises- in appropriate, fair use of electric power

- Conduct a baseline survey on building a centralized heating system in the central part of the city, develop a project and blueprints and resolve financing issues
- Continue implementation of the national program «Ten thousand solar lights» and provide 400 herder households with solar energy sources, by 2010
- Based on the survey conducted in thermal areas of Shargaljuut, to build a 10 kilowatt power station and connect it to the central grid

Communication: In addition to digital telephones, internet and fax services, the soum centre has the Skytel and Mobicom cell phone services for domestic and foreign calls. The dial-up access to internet has largely extended over the last two years at both offices and homes. The digital telephone services are provided to 1510 offices and 1038 home users. Following objectives are put forward:

- Upgrade capacity of cable lines, install a wireless station for 1000 users
- Upgrade capacity of the existing digital telephone station to serve 2400 users
- Bring in an optical fiber cable and improve access of soum users to Internet and internal information and office networks
- Increase investment of cell phone operators
- Increase the number of TV channels broadcast at the soum centre, set up a soum TV studio and a program

Roads and Transportation: The soum of Bayankhongor is located at the crossroads, where main central and local roads meet: a 210 km improved gravel-covered road that connects Bayankhongor with Arvaikheer, a 185 km earth road from Bayankhongor to Altai, a Bayankhongor- Shargaljuut road and many local roads to surrounding soums such as Erdenetsogt, Ulziit, Bayan-Ovoo, Bumbugur, Jinst, Baatsagaan. Goals are:

- Reconstruct the 210 km road that connects Bayankhongor with Arvaikheer to a hard top road
- Build up a 54 km hard top road to connect Bayankhongor with Shargaljuut
- Improve roads within the *ger* districts
- Reconstruct the bridge over Tui river

Water supply: The city drinking and sewage water centralized system was built up in 2004. The basic problems associated with sewage drainage and drinking water supply have been solved and the living conditions of the soum dwellers have significantly improved. This comprehensive system includes 16.5 km pipelines for distribution of drinking water, 10.8 km lines for sewage drainage, a water treatment facility to remove 352.8 thousand cubic meter of sewage water annually. Two water reservoirs installed at the top front of Erdenekhairkhan hold 1000 tons of water and distribute annually 504.0 thousand cubic meters of water to the consumers. Measures to be taken are:

- Improve control over maintenance of line networks and arrange timely maintenance and repair
- Install a water disinfection and purifying facility in the western part of the city of Bayankhongor Connect *ger* district consumers to the drinking water fountain and central water purifying and disinfection lines

Banking and Finance: Branches of major largest national banks, like Mongol bank, XAAH bank, Savings bank, Trade & Development bank, Mongol Shuudan bank and XAS bank are operating in the soum. These aimag branches are the main deliverers of all kinds of banking services to soum businesses and citizens.

Waste: The city of Bayankhongor is a young city, which was founded at the present location in 1961. However, lack of general urban development plan, transfer of waste disposal points 3-4 times over the last 40 years significantly accelerated pollution of the city itself and its surrounding areas to the point of bringing harm to the health of people.



Annually, around 990 cubic meters of waste is transported from the city. The point, where the city wastes are disposed is located in the north of the city on dominant winds and waste is unloaded by organizations and individuals wherever they wish, which causes bad pollution of the Tui River – the main reliable source of fresh water for the city residents. That is why some decisive measures to introduce better waste management need to be taken urgently.



PART 5

THE SOUM LED STRATEGY

5.1. LBES Findings

One of the key activities undertaken in the framework of the soum LED strategy development was the local business enabling environment survey. The survey was administered from August-October in each soum.

Stakeholders involved:

- The survey covered 137 respondents including 108 businesses and 29 herders as representatives of soum community
- Representation of different business sectors: services - 23.2%, livestock sector - 17.2%, SMEs - 15.1%, crop - 5.0%, construction - 3.6%, mining - 0.7% and other businesses - 10.3%
- 37.9% of companies, 33.8% of family-based businesses and 18.1% of other types were covered. 77.8% of the enterprises employ up to 10 and 20.5% have more than 11 employees.

Business Environment:

- All herders and 89% of businesses perceive their businesses as flourishing and prosperous against 11% who evaluated their businesses as unsuccessful.
- 53.9% of stakeholders - survey participants commented that there was a high demand in, but poor supply of professional and skilled labor force.
- 91.0% of soum businesses are interested in expanding their businesses, of them 90.4% - in expanding it within the soum. 40.5% of them will intensify production operations and 50% of herders support this idea. 28.9% of the participants wish to expand current business through improving the quality of goods and services and increase the volume of output.
- 58% of the stakeholders covered by the survey expressed willingness to create a new business. 72.5% of businesses prefer to attain their business within the soum and aimag because they see sufficient markets. About 45.5-50% of them viewed that competition seems hard at national and national markets.
- 33.3-47.3% of the participants see conditions for successful business development such as land, raw materials, skilled and experienced labor as sufficient, while 22.5-33.7% perceive as moderate or bad. In connection with ever-increasing costs of fuel, many respondents qualify poor roads as a major external threat for greater businesses growth.
- Stakeholders believe that education, health, crop and mining sectors attract the most investment
- Businesses and herders, who participated in the survey failed to see remarkable growth in communal service, SME, health and education, veterinary and water supply evaluating them as the economic areas in decline. Poor growth and backward trends are observed not only in production and services, but also in public institutions, which is an issue of concern.
- 61.2% of businesses view that local business environment has improved. However, 50% of herders have a contradicting opinion that it has worsened.
- Poor roads, bureaucracy, high unemployment are the most important obstacles for the development of soum business. Also taxation burden, drinking problem, growing prices and expenses, lack of jobs, high interest rates of bank loans, remoteness from major markets and poor purchasing power are identified as important factors that may negatively affect local business growth.
- The overwhelming majority of businesses view that spending 11.6 days to get business licenses and permits is acceptable, 41.0% of businesses believe it is too long.
- Of survey participants 8.3-26.6% of the respondents replied that they would contribute to soum economic development by creating new jobs, expanding their businesses, training professional staff, paying taxes, while 73.4-97.0% did not answer.

Cooperation with soum government:

- Local stakeholders argue that the average time spent by businesses for cooperation with the soum administration is acceptable.
- 39.6-41.9% of the participants commented that the national and soum tax offices work well and 32.2-47.2% give least scores to the soum economic office as well as to the soum Citizens' Representatives Khural.
- 32.7% of the participants said that soum government provides the most support to soum businesses development. 19.6-24.4% answered that private enterprises and cooperatives provide reasonable support and 20.8 % did not know.
- The LBES participants stressed that if the soum government is to support local business it should work towards improving soum public services, developing national and local infrastructure, updating rules and regulations regularly in response to emerging challenges and requirements and providing business information, training and expertise.

5.2. SWOT analysis

With the use of the LBES findings, the soum core team conducted a SWOT analysis. On its basis, the strengths and weaknesses of local economy and businesses along with opportunities and threats were identified and analyzed through SWOT combinations, where 4 elements crosschecked against each other, and then they were used for drafting the soum LED strategy.

As a result of the SWOT analysis following strengths, weaknesses, opportunities and threats were identified:

- 9 strengths such as appropriate economic resources, valuable historical and cultural heritages and sites, relatively developed key infrastructures excluding roads, experience in traditional production and small-scale enterprising, high activity and commitment of local businesses, expansion of markets;
- 12 weaknesses such as low living standard of citizens, insufficient support and regulation of businesses, shortage of business information and training, weak development of processing industry, chronic shortage of financial and investment sources, poor business advertisement and product presentation, weak business and public-private partnerships, lack of general soum urban development, poor social order and discipline, shortage of pasture and other grazing resources;
- 5 opportunities as follows: development of external economic relations, support and assistance of donors and international organizations, increasing support of public organizations and NGOs, training of skilled labor and professionals;
- 8 threats as follows: remoteness from markets, insufficient investment in key economic and business areas, failure of existing rules and regulations to

correspond with real life, poor implementation of national policies, unfavorable terms of banking loans rates.

By comparing significance of these factors 14 combinations of Strengths-Opportunities, 20 combinations of Strengths-Threats, 17 combinations of Weaknesses- Opportunities, 20 combinations of Weaknesses-Threats were used, which contributed greatly to soum LED strategy development.

LBES-based SWOT Analysis Matrix

Internal		External	
Strengths	Weaknesses	Opportunities	Treats
<ol style="list-style-type: none"> 1. Enough land space to locate production and services and some natural and mining resources 2. Historical and cultural sites, the natural history museum and thermal mineral waters providing opportunities to develop tourism 3. Connection to the central electricity grid, drinking and sewage water networks, mobile telephone, internet and cable TV networks. 4. Experience in pastoral livestock production, crop and vegetable growing and food production and trading 5. Public commitment and activeness to engage in businesses and contribute to soum LED 6. Potentials to extend marketing domestic products and services to national markets, other aimaqs and soums and export 	<ol style="list-style-type: none"> 1. Low living standard and purchasing power of soum population, high unemployment and poverty and poor knowledge and professional skills of unemployed 2. Slow progress in development of processing industry, tourism and new services 3. Failure to attract investment, financial sources and loans 4. Poor quality, design, packaging of goods, insufficient advertising and promotion, lack of soum brand products 5. Presence of bureaucracy in the soum government and insufficient support to soum businesses 6. Low impact and inactiveness of NGOs, informal associations and committees and failure of businesses to cooperate with each other 7. Low discipline, and social order, irresponsibility of civil servants and failure to halt alcoholism 	<ol style="list-style-type: none"> 1. Stable political and economic policies of international society and multilevel cooperation 2. Support and assistance of the donor and humanitarian organizations 3. Government support, opportunities for state investment, financing, loans 4. Extended donor interest to support LED strategic planning 5. Possibilities to train and re-train soum professionals at national level or abroad 	<ol style="list-style-type: none"> 1. Remoteness from main sale and supply markets 2. Poor road development, lack of hardtop roads and railway, high airfare costs 3. Insufficiency of external and internal investment and shortage of the central state budget 4. Dominance of external political and business oligarchies, triggering unfair competition 5. Failure of laws and regulations to correspond with local life 6. Shortage of highly skilled specialized labor trained to handle modern machineries and technologies 7. Poor of national SME development programs 8. Unfavorable terms of loans from banking and non-banking financial institutions, high interest rate/short term loans

Internal		External	
Strengths	Weaknesses	Opportunities	Treats
<p>7. Commitment of aimag and soum administration to improve local business enabling environment and cooperate through strengthening partnership with local stakeholders</p> <p>8. Potential to improve employment and create new jobs</p> <p>9. A vocational school and 2 institutes, engaged in training of educated labor locally for the aimag and beyond</p>	<p>8. No urban development plan in existence and shortage of financial sources for upgrading urban areas, poor waste management and high environmental pollution</p> <p>9. Slow growth of business, lack of large businesses, high vulnerability to risks of small and medium businesses, lack of businesses that could provide good business models</p> <p>10. Lack of business development support office to promote soum businesses with support and sound guidelines to market conditions</p> <p>11. Shortage of pastures that represent the main source for livestock feed, no potential for haymaking and preparation of animal feed</p> <p>12. Poor power of soum government to dispose of local budget and insufficient local revenue raising</p>		

5.3. Vision-to-Project Matrix

Vision. To become a complex centre of social and economic development within the aimag, which ensures a favorable business environment for processing industry, trade and services based on rich land, natural, industrial and human resources and infrastructure and provides conditions for human development, prosperous and healthy living in safe environment to its citizen.

Goals (G)	Objectives (O)	Programs (Pr)	Projects (Pr)	
Goal 1: Public services that ensure conditions for human development and prosperous life in safe environment.	G1:O1: Reduce the number of shifts of daily schooling sessions in secondary schools from three to two by 2015	G1:O1:Pr1: Strengthen the material basis of secondary schools	G1:O1:Pr1:Pt1: Construction of a new school building with 960 seats	1
			G1:O1:Pr1:Pt2: Construction of a new kindergarten for 150 children	2
			G1:O1:Pr1:Pt3: Computerization of educational organizations and improvement of software supply	3
			G1:O1:Pr1:Pt4: Improving the material basis and facilities of pre-school education organizations	4
	G1:O2: Build up availability of professional workers from 43.8% to 80% by 2012	G1:O2:Pr1: Improve the educational level of citizens	G1:O2:Pr1:PT1: Conducting training activities of various profiles using capacities of institutes and vocational schools and other civic organizations	5
			G1:O2:Pr1:Pt2: Overseas training and fellowships for narrow specialization of soum government and public service staff and businesses	6
	G1:O3: Increase the diagnostic and therapeutic capacity of soum hospitals from 72 patients/day to 100 patients/day, by 2015	G1:O3:Pr1: Strengthen and expand health services	G1:O3:Pr1:Pt1: Renovation of diagnostic and therapeutic equipment and facilities, establishment of a complex, provision of family clinics with standardized buildings	7
			G1:O3:Pr1:Pt2: Establishing a therapeutic and alimentary complex for children	8
			G1:O3:Pr1:Pt3: Construction of a complex recreational centre for elders and disabled people	9

Goals (G)	Objectives (O)	Programs (Pr)	Projects (Pr)	
Goal 1: Public services that ensure conditions for human development and prosperous life in safe environment.	G1:04: Reduce by 10% the current 65% morbidity rate and mortality risk factors of population by 2015	G1:04:Pr1: Reduce morbidity among population	G1:04:Pr1:Pt1: Conducting a survey on distribution of common risk factors of morbidity and mortality of population	10
			G1:04:Pr1:Pt2: Promotion of organizations and households that support healthy lifestyle for further scale up	11
			G1:05:Pr1:Pt1: Reconstruction of the sport complex and stadium	12
	G1:05: Increase from 40% to 70%, the capacity of cultural and sport facilities by 2015	G1:05:Pr1: Support development of culture and sport	G1:04:Pr1:Pt2: Establishment of a youth recreational park	13
			G1:05:Pr1:Pt3: Children and youth cultural centre and a Book palace	14
			G1:05:Pr1:Pt4: Construction of a cultural centre in Shargaljuut village	15
	G1:06: Increase from 9.8% to 30% the housing supply rate by 2015	G1:06:Pr1: Improved apartment housing	G1:05:Pr1:Pt5: Restoration of the Tarbosaur dinosaur skeleton	16
			G1:05:Pr1:Pt6: Reconstruction and protection of historical and cultural exhibits and heritage	17
			G1:06:Pr1:Pt1: Development and implementation of a soum program "200 new apartments"	18
	G1:07: By 2015, achieve a total coverage of food products and drinking water by food safety control against the current coverage of 40% of food	G1:07:Pr1: Healthy food	G1:06:Pr1:Pt2: Development of a soum program on introduction of a mortgage credit scheme for private housing	19
			G3:03:Pr1:Pt3: Set up the "Bayankhongor Treasure" fund	20
			G1:07:Pr1:Pt1: Establishment of a food safety control laboratory	21
			G1:07:Pr1:Pt2: Improving quality and supply of drinking water	22
			G1:07:Pr1:Pt3: Development of a soum program "Healthy and safe food"	23

Goals (G)	Objectives (O)	Programs (Pr)	Projects (Pr)	
Goal 2: Development of infrastructure, processing industry, trade and tourism as priority economic sectors	G2:01: Increase from 20% to 50%, the share of hard-top roads in the soum main road network by 2015	G2:01:Pr1: Upgrading condition of roads and bridges	G2:01:Pr1:Pt1: Building a hard-top road between the town of Bayankhongor and the village of Shargalzuut	24
			G2:01:Pr1:Pt2: Reconstruction of the bridge on the Tui river	25
			G2:01:Pr1:Pt3: Building hard-top roads in ger districts	26
	G2:02: By 2015 increase from 10% to 50%, the quantity of industrially-processed natural products and agricultural raw materials	G2:02:Pr1: Develop processing SMEs	G2:02:Pr1:Pt1: Conducting a survey on local SME development capacity	27
			G2:02:Pr1:Pt2: Undertaking a market survey on processing of agricultural products and raw materials	28
			G2:02:Pr1:Pt3: Developing a soum program on "Increasing output of natural products, mining deposits and construction materials"	29
	G2:03: Starting from 2007, increase the turnover of domestic and imported goods by 5% each year	G2:03:Pr1: Improve local trading facilities	G2:03:Pr1:Pt1: Holding soum fairs to advertise soum brands	30
			G2:03:Pr1:Pt2: Establishment of a soum business incubator centre	31
			G2:03:Pr1:Pt3: Construction of a specialized market and a wholesale centre	32
	G2:04: Increase from 50% to 80% availability of city communal and public service by 2012	G2:04:Pr1: Strengthen the city communal services	G2:04:Pr1:Pt1: Improvement of infrastructure and communal services in ger districts	33
			G2:04:Pr1:Pt2: Improvement of drinking water supply and availability of public bathhouses in ger districts and bags	34
	G2:05: By 2015 increase 3 times the number of tourists and visitors against 100 persons at present	G2:05:Pr1: Create conditions for tourism development	G2:05:Pr1:Pt1: Set up a soum tourism development office	35
			G2:05:Pr1:Pt2: Set up permanent tourism routes and coordinate activities with other soums	36
			G2:05:Pr1:Pt3: Development of tourism support services / sale of handicraft, building modern lavatories etc/	37

Goals (G)	Objectives (O)	Programs (Pr)	Projects (Pr)	
Goal 3: Upgrade support and services by non-governmental and other formal and informal organizations	G3:O1: Increase from 30% to 50%, access of soum citizens to services provided by NGO and informal national and international organizations by 2015	G3:O1: Improve community participation in soum economic development	G3:O1:Pr1:Pt1: Development of a soum program on "Support of NGO and informal civil society organizations"	38
			G3:O1:Pr1:Pt2: Development of a soum program on "Expansion of external and international relations and cooperation"	39
			G3:O1:Pr1:Pt3: Development of a soum program on "Family development"	40
			G3:O1:Pr1:Pt4: Support and scale up of the civic movement "Neighborhood associations"	41
Goal 4: Planned development of the city to convert it into a complex centre of development within the aimag	G4:O1: By 2015 increase from 5% to 20%, the share of public budget invested in city urban development and upgrading	G4:O1:Pr1: Urban development and upgrading	G4:O1:Pr1:Pt1: Establishment of an electronic information and advertisement centre for the city of Bayankhongor	42
			G4:O1:Pr1:Pt2: Upgrading areas surrounding Erdenemandal Khairkhan and the central boulevard garden	43
			G4:O1:Pr1:Pt3: Upgrading central roads, squares; construction of a monumental complex with fountains	44
			G5:O1:Pr1:Pt1: Improvement of city waste management	45
Goal 5: Protection of natural environment and introduction of efficient forms of land and pasture management	G5:O1: Diminish the present soil/ water/ air pollution level that exceeds the permitted level by 20% down to an acceptable range by 2015	G5:O1:Pr1: Healthy city	G5:O1:Pr1:Pt2: Upgrading city green areas and establishment of green belts	46
			G5:O1:Pr1:Pt3: Reduction of sand movement and building a flood water dam	47
			G5:O1:Pr1:Pt4: Reduction of smoke emission in ger districts	48
			G5:O2:Pr1:Pt1: Updating soum land management mapping	49
	G5:O2: From 2008, increase the scale of activities on land and pasture management by 20%	G5:O2:Pr1: Improved land and pasture management	G5:O2:Pr1:Pt2: Improvement of crop and pasture irrigation and pasture management	50

5.4. Project Implementation Matrix

Project No.	Project title and code	Value	Financial contribution (tug) of						Partner	Implementa- tion		Target group			
			Min. Tug	US \$	Soum		Central Government			Donors	Start		Completion	Status	
					%	mln. tug	%	mln. tug							
															%
1	G1:01:Pr1:Pt1: Construction of a new school building with 960 seats	989.0			100.0	989.0			Gov.	2007	2008	IS	Citizens		
2	G1:01:Pr1:Pt2: Construction of a new kindergarten for 150 children	320.0			93.7	300.0	6.25	20	Gov.	2008	2010	FA	Citizens		
3	G1:01:Pr1:Pt3: Computerization of educational organizations and improvement of software supply	125.0			80.0	100.0	20.0	25.0	National & US govs	2008	2015	SF	Schools		
4	G1:01:Pr1:Pt4: Improving the material basis and facilities of pre-school education organizations	150.0			13.3	20.0	86.7	130.0	Gov.	2008	2011	SF	Children		
5	G1:02:Pr1:PT1: Conducting training activities of various profiles using capacities of institutes and vocational schools and other civic organizations	56.0			10.0	5.6	30.0	16.8	60.0	33.6	Gov.	2008	2015	SF	Businesses
6	G1:02:Pr1:Pt2: Overseas training and fellowships for narrow specialization of soum government and public service staff and businesses	39.6			40.4	16.0	59.6	23.6	Gov.	2008	2015	SF	Businesses		

Project No.	Project title and code	Value	Financial contribution (tug) of						Partner	Implementa- tion			Status	Target group
		Min. Tug	US \$	Sourm		Central Government		Donors		Start	Completion			
				%	mln. tug	%	mln. tug	%				mln. tug		
7	G1:03:Pr1:Pt1: Renovation of diagnostic and therapeutic equipment and facilities, establishment of a complex, provision of family clinics with standardized buildings	130.0		23.0	30.0	77.0	100.0	Gov.	2008	2015	FA	Citizens		
8	G1:03:Pr1:Pt2: Establishing a therapeutic and dietary complex for children	36.7	9.8	3.6		91.2	33.1	Gov.	2008	2010	FA	Children		
9	G1:03:Pr1:Pt3: Construction of a complex recreational centre for elders and disabled people	25.0	200	5.0		80.0	20.0	Gov.	2008	2011	SF	Elders		
10	G1:04:Pr1:Pt1: Conducting a survey on distribution of common risk factors of morbidity and mortality of population	6.3	9.5	0.6	20.6	1.3	69.9	4.4	Gov.	2008	2011	SF	Citizens	
11	G1:04:Pr1:Pt2: Promotion of organizations and households that support healthy lifestyle for further scale up	11.0	18.1	2.0		81.9	9.0	Gov.	2008	2015	FA	Citizens		
12	G1:05:Pr1:Pt1: Reconstruction of the sport complex and stadium	50.0			60.0	30.0	40.0	20.0	Gov.	2007		IS	Citizens	
13	G1:04:Pr1:Pt2: Establishment of the youth recreational park	150.0	3.3	5.0	13.3	20.0	73.4	125.0	Gov. and Donors	2007	2010	IS	Children and youth	

Project No.	Project title and code	Value	Financial contribution (tug) of						Partner	Implementa- tion		Status	Target group		
			Min. Tug	US \$	Soum		Central Government			Donors					
					%	mln. tug	%	mln. tug							
											%			mln. tug	%
14	G1:05:Pr1:Pt3: Children and youth cultural centre and a Book palace	380.0			100.0	380.0			Gov. and Donors	2008	2010	IS	Children and youth		
15	G1:05:Pr1:Pt4: Construction of a cultural centre in Shargalzuut village	15.0			100.0	15.0			Gov. and Donors	2007		FA	Henders		
16	G1:05:Pr1:Pt5: Restoration of the Tarbosaur dinosaur skeleton	3.0					100	3.0	Donors	2008	2009	SF	Citizens		
17	G1:05:Pr1:Pt6: Reconstruction and protection of historical and cultural exhibits and heritage	16.3			12.3	2.0	87.7	14.3	Gov. and Donors	2008	2009	SF	Citizens		
18	G1:06:Pr1:Pt1: Development and implementation of a soum program "200 new apartments"	2600.0			100.0	2600.0			Gov.	2007	2015	FA	Citizens		
19	G1:06:Pr1:Pt2: Development of a soum program on introduction of a mortgage credit scheme for private housing	5.0					100	5.0	Donors	2007	2008	SF	Citizens		
20	G3:03:Pr1:Pt3: Set up "Bayankhongor Treasure" fund	110.0			9.1	10.0		90.9	100.0	Donors	2007	2008	FA	Citizens	
21	G1:07:Pr1:Pt1: Establishment of a food safety control laboratory	12.0			16.7	2.0	66.6	8.0	16.7	2.0	Donors	2007	2010	SF	Citizens
22	G1:07:Pr1:Pt2: Improving quality and supply of drinking water	18.0			5.5	1.0		94.5	17.0	Gov. and Donors	2007	2010	FA	Citizens	

Project No.	Project title and code	Value	Financial contribution (tug) of								Implementa- tion			Target group	
			Min. Tug	US \$	Soum		Central Government		Donors		Partner	Start	Completion		Status
					%	mln. tug	%	mln. tug	%	mln. tug					
23	G1:07:Pr1:Pt3: Development of a soum program "Healthy and safe food"	11.0		1.1	1.0		9.9	10.0		Gov.	2007	2008	SF	Citizens	
24	G2:01:Pr1:Pt1: Building a hard top road between the town of Bayankhongor and the village of Shargalzuut	1350.0					50.0	675.0	50.0	675.0	Gov.	2008	2012	SF	Citizens
25	G2:01:Pr1:Pt2: Reconstruction of the bridge on the Tui river	18.0					100.0	18.0		Gov.	2007		IS		Citizens
26	G2:01:Pr1:Pt3: Building hard-top roads in ger districts	250.0					60.0	150.0	40.0	100.0	Gov.	2008	2010	SF	Citizens
27	G2:02:Pr1:Pt1: Conducting a survey on local SME development capacity	5.0							100	5.0	Gov.	2008		SF	Businesses
28	G2:02:Pr1:Pt2: Undertaking a market survey on processing of agricultural products and raw materials	5.0			50.0	2.5		50.0	2.5	Gov.	2008		SF		Businesses
29	G2:02:Pr1:Pt3: Developing a soum program on "Increasing output of natural products, mining deposits and construction materials"	9.3		10.7	1.0	26.9	2.5	63.3	5.8	Gov.	2007	2008	SF		Businesses
30	G2:03:Pr1:Pt1: Holding soum fair to advertise soum brands	17.0		11.8	2.0		88.2	15.0		Gov.	2007	2015	FA		Businesses
31	G2:03:Pr1:Pt2: Establishment of a soum business incubator centre	15.0		33.3	5.0		66.7	10.0		Gov.	2007		FA		Citizens

Project No.	Project title and code	Value	Financial contribution (tug) of							Partner	Implementa- tion		Status	Target group
			Min. Tug	US \$	Soum		Central Government		Donors		Start	Completion		
		%			mln. tug	%	mln. tug	%	mln. tug					
32	G2:O3:Pr1:Pt3: Construction of a specialized market and a wholesale centre	50.0		40.0	20.0			60.0	30.0	Gov.	2007	2010	SF	Businesses
33	G2:O4:Pr1:Pt1: Development of a soum program on Improvement of infrastructure and communal services in ger districts	325.5		10.9	35.7	58.2	189.4	30.8	100.4	Donors	2007	2009	FA	Citizens
34	G2:O4:Pr1:Pt2: Improvement of drinking water supply and availability of public bathhouses in ger districts and baghs	6.8		38.2	2.6			61.8	4.2	Donors	2007		SF	Herders
35	G2:O5:Pr1:Pt1: Set up a soum tourism development office	10.0		45.0	4.5			55.0	5.5	Gov. and Donors	2007	2008	SF	Businesses
36	G2:O5:Pr1:Pt2: Set up permanent tourist routes and coordinate activities with other soums	10.5		4.8	0.5	19.0	2.0	77.2	8.0	Gov.	2007	2008	SF	Tourists
37	G2:O5:Pr1:Pt3: Development of tourism support services / sale of handcraft, building modern lavatories etc /	10.0		45.0	4.5			55.0	5.5	Gov.	2007	2015	FA	Businesses
38	G3:O1:Pr1:Pt1: Development of a soum program on "Support of NGO and informal civil society organizations"	25.0		20.0	5.0			80.0	20.0	Gov.	2007	2015	SF	NGOs

Project No.	Project title and code	Value	Financial contribution (tug) of								Implementa- tion			Target group	
			Min. Tug	US \$	Soum		Central Government		Donors		Partner	Start	Completion		Status
					%	mln. tug	%	mln. tug	%	mln. tug					
39	G3:O1:Pr1:Pt2: Development of a soum program on "Expansion of external and international relations and cooperation"	225.0	11.1	25.0	88.9	200.0	Gov.	2007	2008	SF	Citizens				
40	G3:O1:Pr1:Pt3: Development of a soum program "Family development"	8.0	10.0	0.8	20.0	1.6	70.0	5.6	Gov.	2008	SF	Citizens			
41	G3:O1:Pr1:Pt4: Support and scale up of the civic movement "Neighborhood associations"	15.0	6.7	1.0	93.3	14.0	NGO	2007	2008	FA	Citizens				
42	G4:O1:Pr1:Pt1: Establishment of an electronic information and advertisement centre for the city of Bayankhongor	7.0	25.7	1.8	74.3	5.2	Donors	2007	SF	Citizens					
43	G4:O1:Pr1:Pt2: Upgrading areas surrounding Erdenemandal Khaikhan and the central garden	659.0	0.7	5.0	7.0	50.0	92.3	604.0	Donors	2007	2015	IS	Citizens		
44	G4:O1:Pr1:Pt3: Upgrading central roads, squares and construction of a monumental complex with fountains	90.0	11.1	10.0	22.2	20.0	66.7	60.0	Donors	2007	2009	FA	Citizens		
45	G5:O1:Pr1:Pt1: Improvement of city waste management	63.0	7.9	5.0	12.7	8.0	79.4	50.0	Donors	2007	2009	SF	Citizens		
46	G5:O1:Pr1:Pt2: Upgrading city green areas and establishment of green belts	80.0			37.5	30.0	62.5	50.0	Donors	2007	2015	FA	Citizens		

Project No.	Project title and code	Value	Financial contribution (tug) of								Partner	Implementa- tion			Status	Target group
			Min. Tug	US \$	Soum		Central Government		Donors			Start	Completion			
					%	mln. tug	%	mln. tug	%	mln. tug						
47	G5:01:Pr1:Pt3: Reducing sand movement and building a flood water dam	18.0				100.0	18.0			Gov.	2007	2008	FA	Citizens		
48	G5:01:Pr1:Pt4: Reduction of smoke emission in ger districts	84.0		4.7	4.0	35.7	30.0	59.6	50.0	Gov. and Donors	2007	2015	SF	Citizens		
49	G5:02:Pr1:Pt1: Updating soum land management mapping	25.0		20.0	5.0	20.0	5.0	60.0	15.0	Gov.	2008	2009	FA	Citizens		
50	G5:02:Pr1:Pt2: Improvement of crop and pasture irrigation and pasture management	203.0		4.9	10.0	45.8	93.0	49.3	100.0	Gov.	2007	2015	SF	Henders		
Total		8843.0		1.9	187.5	57.3	5840.2	40.8	2815.1							

5.5. Project Prioritization Matrix

Rank	Project No	Project Title and Code				Hard (H), Soft (S)	Most Significant	More Significant	Significant
1	42	G4:01:Pr1:Pt1: Establishment of an electronic information and advertisement centre for the city of Bayankhongor				H	14	6	
2	16	G1:05:Pr1:Pt5: Restoration of the Tarbosaur dinosaur skeleton				H	13	7	
3	44	G4:01:Pr1:Pt3: Upgrading central roads, squares and construction of a monumental complex with fountains				H	12	8	
4	34	G2:04:Pr1:Pt2: Improvement of drinking water supply and availability of public bathhouses in ger districts and baghs				H	11	8	1
5	45	G5:01:Pr1:Pt1: Improvement of city waste management				H	13	7	
6	1	G1:01:Pr1:Pt1: Construction of a new school building with 960 seats				H	12	8	
7	18	G1:06:Pr1:Pt1: Development and implementation of a soum program “200 new apartments”				H	12	8	
8	46	G5:01:Pr1:Pt2: Upgrading city green areas and establishment of green belts				H	12	7	1
9	47	G5:01:Pr1:Pt3: Reducing sand movement and building a flood water dam				H	11	8	1
10	2	G1:01:Pr1:Pt2: Construction of a new kindergarten for 150 children				H	10	10	
11	19	G1:06:Pr1:Pt2: Development of a soum program on introduction of a mortgage credit scheme for private housing				S	11	8	1
12	4	G1:01:Pr1:Pt4: Improving the material basis and facilities of pre-school education organizations				H	10	9	1
13	7	G1:03:Pr1:Pt1: Renovation of diagnostic and therapeutic equipment and facilities, establishment of a complex, provision of family clinics with standardized buildings				H	12	4	4
14	21	G1:07:Pr1:Pt1: Establishment of a food safety control laboratory				H	11	6	3
15	9	G1:03:Pr1:Pt3: Construction of a complex recreational centre for elders and disabled people				H	9	9	2
16	22	G1:07:Pr1:Pt2: Improving quality and supply of drinking water				H	11	5	4
17	48	G5:01:Pr1:Pt4: Reduction of smoke emission in ger districts				H	9	9	2
18	49	G5:02:Pr1:Pt1: Updating soum land management mapping				S	9	8	3

Rank	Project No	Project Title and Code				
			Hard (H), Soft (S)	Most Significant	More Significant	Significant
19	43	G4:01:Pr1:Pt2: Upgrading areas surrounding Erdenemandal Khairkhan and the central garden	H	9	8	3
20	24	G2:01:Pr1:Pt1: Building a hard top road between the town of Bayankhongor and village of Shargalzuut	H	8	10	2
21	23	G1:07:Pr1:Pt2: Improving quality and supply of drinking water	S	8	10	2
22	26	G2:01:Pr1:Pt3: Building hard-top roads in ger districts	H	10	6	4
23	8	G1:03:Pr1:Pt2: Establishing a therapeutic and dietary nursery complex for children	H	8	9	3
24	5	G1:01:Pr1:Pt4: Improving the material basis and facilities of pre-school education organizations	S	7	11	2
25	6	G1:02:Pr1:Pt2: Overseas training and fellowships for narrow specialization of soum government and public service staff and businesses	S	7	11	2
26	50	G5:02:Pr1:Pt2: Improvement of crop and pasture irrigation and pasture management	H	7	10	3
27	25	G2:01:Pr1:Pt2: Reconstruction of the bridge on the Tui river	H	7	10	3
28	14	G1:05:Pr1:Pt3: Children and youth cultural centre and a library	H	8	8	4
29	10	G1:04:Pr1:Pt1: Conducting a survey on distribution of common risk factors of morbidity and mortality of population	S	8	7	5
30	15	G1:05:Pr1:Pt4: Construction of a cultural centre in the Shargalzuut village	H	7	9	4
31	32	G2:03:Pr1:Pt3: Construction of a specialized market and a wholesale centre	H	6	11	3
32	35	G2:05:Pr1:Pt1: Set up soum a tourism development office	H	6	11	3
33	41	G3:01:Pr1:Pt4: Support and scale up of the civic movement "Neighborhood associations"	H	6	10	4
34	40	G3:01:Pr1:Pt3: Development of a soum program on "Family development"	S	6	10	4
35	38	G3:01:Pr1:Pt1: Development of a soum program on "Support of NGOs and informal civil society organizations"	S	6	10	4
36	33	G2:04:Pr1:Pt1: Development of a soum program on Improvement of infrastructure and communal services in ger districts	S	5	12	3
37	20	G3:03:Pr1:Pt3: Set up a "Bayankhongor Treasure" fund	S	6	10	4

Rank	Project No	Project Title and Code				
			Hard (H), Soft (S)	Most Significant	More Significant	Significant
38	37	G2:05:Pr1:Pt3: Development of tourism support services /handcraft sale, building of modern lavatories etc/	H	4	13	3
39	13	G1:04:Pr1:Pt2: Establishing of a youth recreational park	H	6	9	5
40	12	G1:05:Pr1:Pt1: Reconstruction of the sport complex and the stadium	H	8	6	4
41	29	G2:02:Pr1:Pt3: Developing a soum program on "Increasing output of natural products, mining deposits and construction materials"	S	4	12	4
42	36	G2:05:Pr1:Pt2: Set up permanent tourist routes and coordinate activities with other soums	S	4	12	4
43	17	G1:05:Pr1:Pt6: Reconstruction and protection of historical and cultural exhibits and heritage	H	2	15	3
44	31	G2:03:Pr1:Pt2: Establishment of a soum business incubator centre	S	5	8	7
45	11	G1:04:Pr1:Pt2: Promotion of organizations and households that support healthy lifestyle for further scale up	S	3	12	5
46	28	G2:02:Pr1:Pt2: Undertaking a market survey on processing of agricultural products and raw materials	S	2	13	5
47	39	G3:01:Pr1:Pt2: Development of a soum program on "Expansion of external and international relations and cooperation"	S	2	12	6
48	27	G2:02:Pr1:Pt1: Conducting a survey on local SME development capacity	S	2	12	6
49	30	G2:03:Pr1:Pt1: Holding soum fair to advertise soum brands	S	1	14	5
50	3	G1:01:Pr1:Pt3: Computerization of educational organizations and improvement of software supply	H	7	13	

5.6. Strategic directions of Soum Business Promotion

No	Strategic Directions	Short Description	Contact Organization and Person
1	Set up tourist camps	Establish 2–3 camps in Shargaljuut and nearby the city of Bayankhongor through establishing contact with the national tourism authority and private tourism businesses	L.Gursed M.Baymbaa 2–2542
2	Set up hunting camps	Establish 2–3 camps for tourists–hunters of rare wild game by obtaining official permits from the national authorities	Sh.Lkhagvasuren 2–2353
3	Pressed hard fuel	Reduce air pollution caused by rural–to urban migration of soum citizens, improve the living environment and initiate economic savings	“Urguu” LLC Tsengel 22018
4	Chalk plant	Set up a chalk plant equipped with modern equipment and using modern technology	L.Bayarmaa, 99442066
5	Production of fuel–saving stoves	To create better living environment for the city citizens and reduce air pollution, launch production of stoves that use less fuel and produce less smoke	L.Mandal, 99448256
6	Vacuum windows	Using the facilities of construction materials plant, expand the existing window–making shop to produce vacuum windows	D.Baasanbat, L.Gursed, 9948190
7	Toy making	To support tourism and to contribute to child development, establish a shop for making small souvenirs and wooden items (chess, morin khuur, wooden dolls and stuffed toys)	E.Munkhtulga, 99442110
8	Lino–print publishing	Expand the existing capacity of a publishing plant by introducing lino–printing	“Munkhiin Useg” LLC G.Jadambaa, 23838
9	Blocks for pedestrian walkways	Based on the increased demand for blocks for pedestrian walkways, set up a plant for local production	“Unaga Trade” LLC J.Tumurbaatar, 22368
10	Packaging materials shop	Support marketability of soum products through establishing a shop for production of packaging materials, wrapping	B.Ouyun, 99449020
11	Plant for production of wooden components for construction and ger furniture	Produce high quality, reasonably–priced wooden components for ger and furniture for citizens	“Ulziit Khairkhan” cooperative, 99447598
12	Cement factory	Set up a factory based on availability of construction materials in the aimag	G.Mandal, 99444186 L.Bayarmaa, 99442066

№	Strategic Directions	Short Description	Contact Organization and Person
13	Sheep wool washing plant	Build a wool washing factory in Bayankhongor soum and make woolen items	"Khongoriin Sor" cooperative, D.Nadmid, 99249658
14	Expand the brick making plant	Import modern brick –making technology and equipment to set up local production	"Unaga Trade" LLC, Tumurbaatar, 22368
15	Dairy product plant	Install equipment for processing of milk, production of various types of dairy products, for their packaging, introduce different packaging and ensure accurate weighing	D.Delgermaa, 99442848
16	Plastic bags and plastic items recycling plant	Recycling plastic bags and other plastic items (plastic bottles and other disposable items) thrown away in Bayankhongor city and neighboring soums	"Baruun Shand" LLC J.Bulguun–Ochir, 99092010 Uranchimeg
17	A farm for 25 cows	Raise locally–adapted dairy cows and supply milk and dairy products to markets and individual consumers	J.Erdenee, 99444696
18	Cattle farming	Raise highly productive cattle and establish a model farm	M.Enkh–Ireedui, 99087978
19	Centralized abattoir	Set up a place that meets hygienic and sanitary requirements to slaughter animals and produce meat products	B.Sukhbat, 99444365 N.Batbold, 99445639 S.Batsuren, 99445214
20	Sausage making	Set up a plant equipped with modern facilities for making fully smoked sausages	N.Batbold, 99445639 S.Batsuren, 99445214 B.Sukhbat, 99444365
21	Pig farming	Meet demand of Bayankhongor city in pork	M.Enkh–Ireedui, 99087978
22	Set up a recreational and fruit growing zone	Establish green areas planted with berry bushes as a recreational zone	"Bayan Namag – Green glory" NGO, 99449984
23	Vegetable and fruit canning plant	Establish a vegetable and fruit canning plant	Kh.Ganzorig, 99444466
24	Meat plant	Supply consumers with meat and meat products that satisfy hygienic requirements	M.Enkh–Ireedui, 99087978
25	Bread and bakery	Supply consumers with bread and pastries that satisfy hygienic requirements	S.Baatartsogt, 99446205
26	Dairy goat farm	Supply with dairy products for target consumers, set up a dairy goat farm and a small health resort	T.Tserevnjaw, 22644
27	Processing and packing fermented camel milk	Process, pack and market fermented camel milk for common and therapeutic use	J.Bulguun–Ochir, 99092010

No	Strategic Directions	Short Description	Contact Organization and Person
28	Chicken farm	Eggs and chicken transported over long distance spoil easily. Establish a poultry farm locally and supply public with safe produce	T.Tserevnjaw, 99448649 J.Dashdorj M.Enkh-Ireedui, 99087978
29	Fresh air resort centre	Establish a fresh air resort that satisfies requirements for modern public resorts	G.Zandangarav, 91442291
30	Shoe repair shop	Provide shoe repair, make shoes on order and organize training in shoe repair	Sh.Lkhagvasuren, 88443111 B.Norov, 99447040
31	Sewing factory	Establish a sewing factory by expanding the existing shop with 3 sewing machines and other facilities for dress-making and clothes repair	L.Banzragch, 99448079
32	Laundry and cleaning centre	Establish a laundry and dry cleaning centre	L.Mandal, 99448256
33	Trade centre in the ger district	Create improved availability of consumer goods to ger districts, supply safe food and meat products at stable prices	B.Badamsuren, 99445368
34	Strengthen family hospital units in ger districts	Reconstruct the existing ger district family hospital units, establish a rehabilitation centre	D.Tserenkhörloo, 99448025 S.Ochirkhyuag, 91447465
35	A complex car repair and maintenance centre	Set up a centre for car repair and maintenance, create new jobs	Ts.Alzakhgui, 96448244
36	Electronics repair shop	Run a mobile and stationary service for repair of radio sets and electronic devices	D.Javzandulam, 88443579
37	Centre for computer maintenance and hardware supply	Establish a SME for computer maintenance and hardware supply	Ts.Chagnaadorj, 99096227
38	"Memory" photo studio	Provide public with all kinds of photo services	Ts.Bayanmunkh, 88443400

5.7. Project Fiches

№ 1	Project: G1:O1:Pr1:Pt1: Construction of a new school building with 960 seats	Program: G1:O1:Pr1: Extend the material basis of secondary schools
Brief description of the project: Currently, many of the secondary schools in ger districts and nearby are running on 3 shifts due to shortage of classrooms and other spaces, which negatively affect the study environment and performance of the pupils. Such conditions present obstacles in realization of training programs, and no extracurricular activities on sport, arts and other entertainment among the schoolchildren can be organized. In order to overcome these problems, it is proposed to implement a project aiming at building a new secondary school with 960 seats equipped with modern training facilities.		
Expected results: <ul style="list-style-type: none">• Educational programs for secondary schools successfully implemented• Creation of comfortable working environment for teachers and scholars• Schools come closer to children in ger districts		Target groups: <ul style="list-style-type: none">• People living in ger districts• Preschool and school children
Potential participants: <ul style="list-style-type: none">• Governor’s office• Department of education and culture• Construction companies		Potential contributors: <ul style="list-style-type: none">• Central government
Preconditions: <ul style="list-style-type: none">• Budget and construction design approved		Risk factors: None
Estimated expenses, million MNT: 989.0 <ul style="list-style-type: none">o Material costs – 150.4o Labor costs – 167.1o Transportation costs – 22.7o Electricity – 18.8		
Local source	Central budget	Donors
	989.0	
Contact person/s: M.Tsogt, Soum governor, tel: 22945, 99442010 P.Baatar, Manager, soum governor’s office, Tel: 23614, 99448190		
Implementation period: 2 years		Impact period: Sustainable impacts will be ensured after the project completed

No 2	Project: G1:O1:Pr1:Pt1: Construction of a new kindergarten for 150 children	Program: G1:O1:Pr1: Extend the material basis of secondary schools
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Brief description of the project: Up to early 2000s, the soum had been successful in providing schooling and other educational services. In early 2000s, the population of our soum increased considerably, because a large number of herding households who became stockless because of several consecutive years of zud and drought migrated to the aimag centre. There is a trend for further growth of population in ger districts in the next 10–15 years. As a result, preschool education, as a part of public services provided by soum for resolution of social problems of the soum citizens, faces serious difficulties. A fact that not all children in the ger districts can access preschool education and lag behind in acquiring knowledge, skills, and upbringing is caused by limited capacity of the existing kindergarten. The aim of the project is construction of a new kindergarten for 150 children. Measures on strengthening of the material basis of preschool education and upgrading of teaching equipment are included as one of the components.

Expected results: <ul style="list-style-type: none"> • Increase of the attendance of children in the pre-school education • Upbringing of children of preschool age improved • Improvement of ability of children to study successfully at the secondary school 	Target groups: <ul style="list-style-type: none"> • All pre-school children living in ger districts • Young parents
Potential participants: <ul style="list-style-type: none"> • Aimag Department of education and culture • Soum governor's office • Construction companies 	Potential contributors: <ul style="list-style-type: none"> • Donors • Central government • Soum governor's office
Preconditions: <ul style="list-style-type: none"> • Budget and construction design approved • Infrastructure made available 	Risk factors: None

Estimated expenses, million MNT: 320.0

- o Material costs – 150.9
- o Equipment and premises – 101.0
- o Labor costs – 54.1
- o Transportation – 8.0
- o Electricity – 6.0

Local source	Central budget	Donors
	300.0	20.0

Contact person/s: M.Tsogt, Soum governor, tel: 22945, 99442010
P.Baatar, Manager, soum governor's office, tel: 23614, 99448190

Implementation period: 2 years	Impact period: The community will benefit long-lasting positive impact
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№ 3	Project: G1:O1:Pr1:Pt3: Computerization of educational organizations and improvement of hardware supply	Program: G1:O1:Pr1: Extend the material basis of secondary schools
Brief description of the project: In order to upgrade quality and accessibility of training in information technology in secondary schools through creating new environment for computer training and expanded application of computer technologies in secondary education, a project, which aims at re-equipping the existing computer rooms in the secondary schools along with improved software supply, is proposed. As a part of the project agenda, teachers and technical staff will be trained in information technology and the infrastructures of the computer rooms will be upgraded.		
Expected results: <ul style="list-style-type: none"> • Increase in the intellectual ability and IQ of school children • Introduction of a new information and computer technology in secondary education • Software supply improved • Accessible and reliable Internet service for school children and teachers established 		Target groups: <ul style="list-style-type: none"> • School children • Teachers and school staff • Parents of school children
Potential participants: <ul style="list-style-type: none"> • Aimag department of education and culture • Soum governor's office 		Potential contributors: <ul style="list-style-type: none"> • Aimag department of education and culture • Soum governor's office • Donors • Investors
Preconditions: <ul style="list-style-type: none"> • Rooms for installation of computers and other facilities repaired and prepared • Infrastructure such as electricity, heating and air conditioning made available 		Risk factors: <ul style="list-style-type: none"> • Shortage of finances
Estimated expenses, million MNT: 125.0		
<ul style="list-style-type: none"> o Training – 14.5 o Equipment and facilities – 102.5 o Labor costs – 8.0 		
Local source	Central budget	Donors
	100.0	25.0
Contact person/s: S.Lochinkham, Soum deputy governor, tel: 22130, 99449423 N. Saikhantsetseg, Soum government officer, tel: 23616, 88446266		
Implementation period: 7 years		Impact period: Impacts are expected in 2 years

№ 4	Project: G1:O1:Pr1:Pt4: Improving the facilities of pre-school education organizations	Program: G1:O1:Pr1: Extend the material basis of secondary schools
<p>Brief description of the project: As of the end of 2006, 47.3% of 2691 children up to 6 years of age had been studying in preschool educational organizations. The kindergartens with total capacity for 800 children now are exceeded with over 1300. This overload and non-standard situations in the preschool organizations caused by it create many problems in educational work. The project aims to resolve problems related to improvement of educational basis and attendance of children, to provide opportunities for conducting training at appropriate level. The focus of the project is upgrading the basic and support facilities of kindergartens and nursery schools, so that continuity and interconnection between preschool and secondary school education is secured. Training of the staff of preschool organizations is also required.</p>		
<p>Expected results:</p> <ul style="list-style-type: none"> Increased coverage of pre-school education services Improvement in the ability of preschool children to continue secondary education at early age (less than 8) Improved opportunities of the preschool educational organizations to offer various kinds of training 		<p>Target groups:</p> <ul style="list-style-type: none"> Children of pre-school age living in ger districts Staff of preschool and schooling organizations
<p>Potential participants:</p> <ul style="list-style-type: none"> Aimag Department of education and culture Soum governor's office 		<p>Potential contributors:</p> <ul style="list-style-type: none"> Donors Central and aimag governments NGOs
<p>Preconditions:</p> <ul style="list-style-type: none"> The pre-school education organizations to serve as sites for the project identified The issues reflected in the aimag and soum development policies 		<p>Risk factors: Shortage of teachers specialized in pre-school teaching</p>
<p>Estimated expenses, million MNT: 150.0</p> <ul style="list-style-type: none"> Reconstruction costs – 120.0 Labor costs – 12.5 Other costs – 17.5 		
Local source		Central budget
		20.0
		Donors
		130.0
<p>Contact person/s: S.Lochinkham, Soum deputy governor, tel: 22130, 99449423 N.Saikhantsetseg, Soum government officer, tel: 23616, 88446266</p>		
<p>Implementation period: 4 years</p>		<p>Impact period: Impacts of the project will serve the society over many years with positive outcomes</p>

№ 5	Project: G1:02:Pr1:PT1: Arrangement of various training activities using capacities of institutes and vocational schools and other civic organizations	Program: G1:02:Pr1: Improve the educational level of citizens
Brief description of the project: As the local businesses view, improved training of specialists and employees of soum-based business enterprises should be one of the activities for the soum government to take to improve the local environment for business development. Based on the local assumptions that the soum government ought to take many actions in partnership with the aimag authorities and educational organizations, a project aiming at launching new and upgrading existing training activities included in the LED strategy should be initiated. In order to achieve this goal, the soum needs to have own facilities developed. Many activities such as local training demand assessment, development of training programs, integrated activity planning, and training of local trainers should be an essential part of the proposed project.		
Expected results: <ul style="list-style-type: none"> • Based on the local training demand assessment, training programs, curricula and handouts developed • Establishment of a basis for different training and practice • Local trainers trained • Number of professional workers increased and their skills upgraded 		Target groups: <ul style="list-style-type: none"> • Soum citizens • Youths • Unemployed people
Potential participants: <ul style="list-style-type: none"> • Soum governor's office • High schools • Vocational school for technical & professional training 		Potential contributors: <ul style="list-style-type: none"> • Aimag government • Donors • High and vocational schools • NGOs
Preconditions: Businesses identified, trainers trained		Risk factors: <ul style="list-style-type: none"> • Shortage of training equipment • Insufficient financing
Estimated expenses, million MNT: 56.0		
<ul style="list-style-type: none"> o Costs to hire experts – 7.0 o Equipment & facility – 29.0 o Space rent – 16.0 o Clerical costs – 4.0 		
Local source	Central budget	Donors
5.6	16.8	33.6
Contact person/s: N.Saikhantsetseg, soum government officer, tel: 23616, 88446266 J.Bilguun-Ochir, soum businessman/member of the soum core project team/, tel: 99092010		
Implementation period: 7 years	Impact period: Impacts will be apparent when the trained staffs and businesses are largely allowed to attend training	

№ 6	Project: G1:02:Pr1:Pt2: Overseas training and fellowships for narrow specialization of soum government and public service staff and businesses	Program: G1:02:Pr1: Improve the educational level of citizens
Brief description of the project: The human resource development policy of the soum government has a special focus on improving specialization of the administrative and service staff and of a certain part of entrepreneurs. Apart from local and domestic training, there is a need to improve availability of specialized professionals and upgrade their knowledge and skills through short and long-term training and fellowships abroad. The project aims to implement various activities such as strengthening of bilateral cooperation with partner countries, donors and international organizations through exchange of trainees and trainers as well as inviting experts for on-site training/fellowships.		
Expected results: <ul style="list-style-type: none"> • Improvement of professional expertise and skills of the soum administrative and civil service staff • Local potential for harboring and adopting new techniques and technologies strengthened • Improvement of the quality and effectiveness of public services 		Target groups: <ul style="list-style-type: none"> • Soum public service staffs • Soum officials
Potential participants: <ul style="list-style-type: none"> • Aimag Depts., of Foreign Relations and Education & Culture • Soum governor's office 		Potential contributors: <ul style="list-style-type: none"> • Aimag government • Soum governor's office • Donors
Preconditions: <ul style="list-style-type: none"> • Local demand for training abroad studied 		Risk factors: <ul style="list-style-type: none"> • Lack of financing
Estimated expenses, million MNT: 39.6		
<ul style="list-style-type: none"> o DSA & per diem – 7.5 o Airfare – 32.1 		
Local source	Central budget	Donors
	16.0	23.6
Contact person/s: S.Lochinkham, Soum deputy governor, tel: 22130, 99449423, N.Saikhantsetseg, Soum government officer, tel: 23616, 88446266		
Implementation period: Throughout the strategy implementation		Impact period: Sustainable impact after the staff and businesses are trained in large numbers

№ 7	Project: G1:O3:Pr1:Pt1: Reconstruction of diagnostic and therapeutic equipment and facilities and provision of family clinics with standard working spaces	Program: G1:O3:Pr1: Strengthen and expand health service
Brief description of the project: A healthy community will be able to become an accelerator of progress in local social and economic development. Inadequate and poor health service in other soums compels people to come to Bayankhongor soum in hope to get better services from local hospitals, which causes significant overload to the existing service facilities. The aim of this project is to reconstruct diagnostic and therapeutic equipment in order to improve quality and accessibility of medical services and facilities of the soum hospitals. The project will resolve such challenges for the soum health service as reconstruction of main hospital buildings and upgrading other support facilities such as the ambulance garage.		
Expected results: <ul style="list-style-type: none"> • Improvement of the diagnostic and therapeutic capacity of the central hospitals and family clinics • The quality and accessibility of the soum health service improved • Health and working potential of people strengthened 		Target groups: <ul style="list-style-type: none"> • Soum citizens • Health service
Potential participants: <ul style="list-style-type: none"> • Aimag health service authority • Soum governor's office 		Potential contributors: <ul style="list-style-type: none"> • Aimag department of education and culture • Soum governor's office • Donors
Preconditions: <ul style="list-style-type: none"> • A proposal for upgrading health service drafted 		Risk factors: <ul style="list-style-type: none"> • Increased demand of patients of other soums to access diagnostic and therapeutic services of the Bayankhongor soum hospital
Estimated expenses, million MNT: 130.0		
<ul style="list-style-type: none"> o Material costs – 3.4 o Equipment & facilities – 100.7 o Labor costs – 22.0 o Transportation costs – 2.9 o Electricity – 1.0 		
Local source	Central budget	Donors
	30.0	100.0
Contact person/s: M.Tsogt, Soum governor, tel: 22945, 99442010		
Implementation period: 7 years		Impact period: Impact sustainable after the project is implemented

№ 8	Project: G1.O3.Pr1:Pt2: Establishing a therapeutic dietary complex for children	Program: G1:O3:Pr1: Strengthen and expand health service
<p>Brief description of the project: To promote consumption of dietetic and probiotic products by children of growing age, the soum needs to implement a project on the establishment of a health complex. The aim of the project is to link local producers of dairy-based dietetic products with the childcare organizations such as schools and kindergartens. Since the soum government supports and finances activities on inclusion of milk and dairy products in menu of schools and kindergartens, these activities can be implemented under direct supervision of related organizations and officials. Soum businesses will need to work hard to meet demand in quality products. In the framework of dietetic food program for children, the public-private partnership will be realized.</p>		
<p>Expected results:</p> <ul style="list-style-type: none"> Increased consumption of dairy products produced by soum businesses Improvement of health indicators of pre-school and school children Establishment of supply and consumption links between local producers, consumers and soum administration 		<p>Target groups:</p> <ul style="list-style-type: none"> Pre-school and secondary school children Children with chronic diseases
<p>Potential participants:</p> <ul style="list-style-type: none"> Family-service hospital units Aimag food and agriculture authority Soum governor's office 		<p>Potential contributors:</p> <ul style="list-style-type: none"> Family-service hospitals Aimag food and agriculture authority Donors
<p>Preconditions:</p> <ul style="list-style-type: none"> Budget and construction design approved A supply and purchase chain that links processors, consumers and local authorities established 		<p>Risk factors:</p> <ul style="list-style-type: none"> Growths in the consumption and supply market prices
<p>Estimated expenses, million MNT: 36.7</p> <ul style="list-style-type: none"> o Material costs – 17.6 o Equipment & supply – 8.2 o Labor costs – 5.4 o Transportation – 2.5 o Other costs – 3.0 		
Local source	Central budget	Donors
3.6		33.1
<p>Contact person/s: S.Lochinlkham, Soum deputy governor, tel: 22130, 99449423 N.Saikhantsetseg, Soum government officer, tel: 23616, 88446266</p>		
<p>Implementation period: 2 years</p>		<p>Impact period: The sustainability of the idea that the project puts out when the project implemented.</p>

№ 9	Project: G1:O3:Pr1:Pt3: Construction of a complex recreational service centre for elders and disabled people	Program: G1:O3:Pr1: Strengthen and expand health service
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Brief description of the project: The elders and disabled people in Bayankhongor soum, who belong to the socially vulnerable group, need a special service where they could get a non-drug therapy to build up their health and body performance. The soum government has initiated to implement this project in order to fulfill its duty to allocate a space for recreational and therapeutic service for the vulnerable groups, where such a service could be accommodated and support its sustainable operation. The project will cover all activities of creating a new complex center.

Expected results: <ul style="list-style-type: none"> • Establishment of a specialized health support service for elders and disabled people established • Improvement of accessibility and range of services, provided by the state to elders and disabled people • Health status of people from socially vulnerable groups upgraded 		Target groups: <ul style="list-style-type: none"> • Elders (2500 people) • Disabled people (1800 people)
Potential participants: <ul style="list-style-type: none"> • Aimag health authority • Soum governor's office 		Potential contributors: <ul style="list-style-type: none"> • Aimag health authority • Soum governor's office • Donors
Preconditions: <ul style="list-style-type: none"> • The building to repair for the new service identified • Survey of elders and disabled people made 		Risk factors: <ul style="list-style-type: none"> • Insufficient financing
Estimated expenses, million MNT: 25.0		
<ul style="list-style-type: none"> o Reconstruction costs – 15.0 o Equipment & premises – 8.0 o Labor costs – 2.0 		
Local source	Central budget	Donors
5.0		20.0
Contact person/s: Kh.Tsetsegee, Soum government's officer, tel: 23240, 99819131 Ts.Erdene-Ochir, Aimag welfare officer, tel: 99168605		
Implementation period: 3 years		Impact period: Sustainable service to socially vulnerable groups

№ 10	Project: G1:O4:Pr1:Pt1: Conducting a survey on distribution of common risk factors of morbidity and mortality of population	Program: G1:O4:Pr1: Reduce morbidity among soum population
<p>Brief description of the project: An urgent issue for the soum health service is to achieve a considerable reduction of some widespread, highly contagious diseases such as hepatitis and sexually transmitted infections. These infectious and poorly treatable contagious diseases negatively affect the quality of life and lifestyles of people. Since their incidence is high, probability of transmission to healthy people is high, too. In this respect, the project proposes to conduct a survey aimed at comprehensive analyses of the current situation and measures on prevention, elimination of causes and treatment of patients so that an integrated action for the soum can be developed.</p>		
<p>Expected results:</p> <ul style="list-style-type: none"> • A survey on distribution of common diseases, morbidity status, risk factors conducted • Decline of distribution, transmission, morbidity and risk factors caused by common diseases • Incidence of infections and illness among healthy people declined 		<p>Target groups:</p> <ul style="list-style-type: none"> • Soum population
<p>Potential participants:</p> <ul style="list-style-type: none"> • Health authority • Soum governor's office 		<p>Potential contributors:</p> <ul style="list-style-type: none"> • Donors • Health authority • Soum governor's office
<p>Preconditions:</p> <ul style="list-style-type: none"> • A team to conduct a survey on distribution of contagious diseases assembled 		<p>Risk factors:</p> <ul style="list-style-type: none"> • Poor health knowledge of population • High level of poverty
<p>Estimated expenses, million MNT: 6.3</p> <ul style="list-style-type: none"> o Training costs – 1.0 o Advertisement – 1.3 o Labor costs – 4.0 o Handouts – 1.0 		
Local source	Central budget	Donors
0.6	1.3	4.4
<p>Contact person/s: S.Lochinkham, Soum deputy governor, tel: 22130, 99449423 N.Saikhantsetseg, Soum government officer, tel: 23616, 88446266</p>		
<p>Implementation period: 3 years</p>		<p>Impact period: Sustainable after the completion of the project</p>

№ 11	Project: G1:O4:Pr1:Pt2: Promotion of organizations and households that support healthy lifestyle for further scale up	Program: G1:O4:Pr1: Reduce morbidity among soum population
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Brief description of the project: Attaining the healthy lifestyle at all levels of working and family environment is the key to the improving the healthy living of the entire community. To promote socially-determinant initiatives by organizations and families towards contributing to the improvement of population health, the best practices should be assessed and disseminated. This is achievable because many organizations and families manage to adapt favorable environment for their employees to work and live, and intellectual and physical development of the members. This is invaluable practical steps and prerequisite for the implementation of this project. To ensure better results and consolidation of efforts, this project is to be implemented in a close links with other projects (No 7, 8, 9 and 10).

Expected results: <ul style="list-style-type: none"> • Best practices generated that some organizations and families assessed and made available to public 	Target groups: <ul style="list-style-type: none"> • All families, organizations and enterprises
Potential participants: <ul style="list-style-type: none"> • Soum governor's office • Family service hospitals • Business enterprises 	Potential contributors: <ul style="list-style-type: none"> • Health service organizations • Donors • NGOs
Preconditions: None	Risk factors: <ul style="list-style-type: none"> • Shortage of financial source

Estimated expenses, million MNT: 11.0

- o Training costs for training local trainers – 3.8
- o Information & advertisement – 2.5
- o Remuneration costs – 3.7
- o Other costs – 1.0

Local source	Central budget	Donors
2.0		9.0

Contact person/s: N.Saikhantsetseg, Soum government officer, tel: 23616, 88446266
E.Munkhtuya, Manager, Business development service, tel: 99444696

Implementation period: 7 years	Impact period: Extended contributions of organizations and families to the sustainability of soum health services will be the main impact of the project
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№ 12	Project: G1:05:Pr1:Pt1: Reconstruction of sport complex and stadium in the soum	Program: G1:05:Pr1: Support development of culture and sport
Brief description of the project: Because of poor facilities and inadequate equipment, the soum has been unable to meet constantly growing needs of the community in regular sports and fitness activities. This issue needs an urgent consideration with regard to provision of general public with proper physical education especially children and youth, and creation of opportunities to local athletes for regular training to compete at the aimag, regional and national levels. In the frame of the project, measures on reconstruction of existing sports and public physical education complex and stadium along with restoration of equipment will be taken.		
Expected results: <ul style="list-style-type: none"> • Restoration of sport and public physical education facilities reconstructed and equipment • Increase in the number and scope of sports and public physical education events 		Target groups: <ul style="list-style-type: none"> • Soum population • Youth and children
Potential participants: <ul style="list-style-type: none"> • Central government • Aimag sport committee • Soum governor's office 		Potential contributors: <ul style="list-style-type: none"> • Central government • Aimag sport committee • Donors
Preconditions: None		Risk factors: None
Estimated expenses, million MNT: 50.0 <ul style="list-style-type: none"> o Material costs – 26.8 o Labor costs – 5.0 o Transportation costs – 2.3 o Electricity – 0.9 o Other costs – 5.0 		
Local source	Central budget	Donors
	30.0	20.0
Contact person/s: M.Tsogt, Soum governor, tel: 22945, 99442010 P.Baatar, Manager, soum governor's office, Tel: 23614, 99448190		
Implementation period: 24 months		Impact period: Sustainable after the project is completed

№ 13	Project: G1:04:Pr1:Pt2: Establishment of a youth recreation park	Program: G1:05:Pr1: Support of culture and sport development
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Brief description of the project: Although work on construction of a youth recreational centre was launched in early 1990s, it was stopped because of lack of financial resources to complete it. At present, a place for children and youth to spend their leisure time and organize various types of public cultural and entertainment activities is urgently needed. The park needs to be completed in a short time and furnished as a complex, which has been required by youth organizations. In case of completion of the centre, the local business enterprises will have opportunities to develop many new businesses such as establishing a fitness centre, an automated game room, and providing different services, planting trees and beautifying the area. The completed park will improve the image of the city of Bayankhongor.

Expected results: <ul style="list-style-type: none"> • Creation of a place for young people to spend their free time and organize cultural events • The image of the city of Bayankhongor improved 	Target groups: <ul style="list-style-type: none"> • Soum citizens • Youth and children
Potential participants: <ul style="list-style-type: none"> • Soum governor's office • Business enterprises 	Potential contributors: <ul style="list-style-type: none"> • Aimag government • Business enterprises • Donors
Preconditions: <ul style="list-style-type: none"> • Construction design developed 	Risk factors: <ul style="list-style-type: none"> • Insufficient financing

Estimated expenses, million MNT: 150.0

- o Construction design – 2.0
- o Material costs – 98.5
- o Equipment & facilities – 21.0
- o Labor costs – 25.5
- o Other expenses – 3.0

Local source	Central budget	Donors
5.0	20.0	125.0

Contact person/s: Sh.Lkhagvasuren, Head of soum government office, tel: 2-2353, 99447332, A.Tarva, governor, III bag

Implementation period: 7 years	Impact period: Sustainable after the completion of the project
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№ 14	Project: G1:05:Pr1:Pt3: The children and youth culture centre and a Book palace	Program: G1:05:Pr1: Support development of culture and sport
Brief description of the project: To upgrade the moral and cultural education of children and youths and create a prolific environment for leisure, new information gathering and receive cultural and art services by soum young people, it needs to build up a new centre where a palace of books as well as a youth cultural scenes are accommodated. The centre will replace existing out-dated small libraries and cultural houses, which had been closed long ago. By proposing a centre to be built up, the project considers renewing the equipment, supplies and facilities.		
Expected results: <ul style="list-style-type: none"> • Creation of a new centre where youth cultural and library services created • Improvement of moral set up and cultural education of children and teenage youngsters 		Target groups: <ul style="list-style-type: none"> • Soum citizens • Youth and children • Businesses
Potential participants: <ul style="list-style-type: none"> • Central government • Soum governor's office • Business enterprises 		Potential contributors: <ul style="list-style-type: none"> • Central government • Businesses • Donors
Preconditions: <ul style="list-style-type: none"> • Infrastructures for electricity, heating and water supply made available 		Risk factors: <ul style="list-style-type: none"> • Failure to secure enough financing by internal sources
Estimated expenses, million MNT: 380.0		
Local source	Central budget	Donors
	380.0	
Contact person/s: M.Tsogt, Soum governor, tel: 22945, 99442010		
Implementation period: 3 years		Impact period: Become influential after the project completed

№ 15	Project: G1:O5:Pr1:Pt4: Construction of a cultural centre in Shargaljuut village	Program: G1:O5:Pr1: Support the development of culture and sport
<p>Brief description of the project: The village of Shargaljuut is located remotely at 65 km from the soum centre, which complicates access to central infrastructures and delivery of various services. Since the majority of herder' households reside in the radius of 50 km and beyond from the village, it makes delivery of cultural services difficult. The village is a home to the famous resort with thermal springs that attracts a large number of visitors, holidaymakers and patients every year. There is a need for a special place where different cultural activities for those guests can be held. Therefore, the soum and village communities suggested implementing a project to build up a new, fully-equipped cultural centre as a part of the soum LED strategy. The centre will make a great contribution to the improvement of cultural services and will upgrade the image of the village and add to its attractiveness.</p>		
<p>Expected results:</p> <ul style="list-style-type: none"> • Upgrading the capacity of the village to offer better cultural service • Improvement of the comfort and attractiveness of the resort • Expansion of the scope and outreach of the soum government public service 		<p>Target groups:</p> <ul style="list-style-type: none"> • General public and herders • Youth and children
<p>Potential participants:</p> <ul style="list-style-type: none"> • Soum governor's office • Aimag department of education and culture 		<p>Potential contributors:</p> <ul style="list-style-type: none"> • Central government • Aimag department of education and culture service • Donors
Preconditions: None		Risk factors: None
<p>Estimated expenses, million MNT: 15.0</p> <ul style="list-style-type: none"> o Material costs – 12.0 o Labor costs – 5.0 o Transportation – 3.0 		
Local source	Central budget	Donors
	15.0	
<p>Contact person/s: S.Lochinkham, Soum deputy governor, tel: 22130, 99449423 S.Gotov, Governor, Shargaljuut village</p>		
Implementation period: 1 year		Impact period: Sustainable after the project is completed

№ 16	Project: G1:05:Pr1:Pt5: Restoration of the “Tarbosaur” dinosaur skeleton	Program: G1:05:Pr1: Support development of culture and sport
Brief description of the project: The skeleton of a “Tarbosaur” dinosaur, which lived 70–130 million years ago, is a unique discovery and represents a major attraction for tourists and other visitors. Since 1981, when archeologists found the bones of a carnivore dinosaur in the area called “Bugiin Tsav” in Bayan–Ovoo soum, the skeleton has been displayed in the Natural History Museum of Bayankhongor city. No restoration or fixing has made until the present. Viewing the needs to restore this invaluable exhibit, the soum community invites organizations and professionals, who are willing to contribute to the implementation of this joint project.		
Expected results: <ul style="list-style-type: none"> • The unique dinosaur skeleton restored and its display time prolonged • Creation of a tourist attraction • Opportunities to participate in shows and exhibitions for displaying the skeleton increased 		Target groups: <ul style="list-style-type: none"> • School children • Foreign and local tourists
Potential participants: <ul style="list-style-type: none"> • Aimag Natural History Museum • Soum governor’s office 		Potential contributors: <ul style="list-style-type: none"> • Foreign and local NGOs • Institute of Paleontology • Donors & investors
Preconditions: None		Risk factors: None
Estimated expenses, million MNT: 3.0		
Local source	Central budget	Donors
		3.0
Contact person/s: S.Lochinkham, Soum deputy governor, tel: 22130, 99449423 D.Maakhuu, Director, Natural history museum, tel: 23449, 99440415		
Implementation period: 1 year		Impact period: Sustainable displaying will be made possible 6 months later

№ 17	Project: G1:05:Pr1:Pt6: Restoration and protection of historical and cultural exhibits and heritage	Program: G1:05:Pr1: Support development of culture and sport
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Brief description of the project: The soum is famous for the Natural History Museum, which is the second largest in the country. The museum, founded in 1981, has a wealthy collection of exhibits. However, the museum faces serious problems in displaying its collection because restoration and repair of exhibits has not been done in the past period and opportunities for displaying became limited. In view of that, the city government makes an appeal to donors and investors to help in restoration of exhibits of the Natural history museum in the city of Bayankhongor. The project goals are to reconstruct valuable historical and cultural exhibits and stationary monuments, to provide proper maintenance and display opportunities with reliable protection.

Expected results: <ul style="list-style-type: none"> • The exhibits of the museum restored and put under a reliable protection • Increased satisfaction of visitors 	Target groups: <ul style="list-style-type: none"> • Foreign and local tourists • Museum
Potential participants: <ul style="list-style-type: none"> • Aimag nature & environmental protection department • Soum natural museum • Soum governor's office 	Potential contributors: <ul style="list-style-type: none"> • Ministry of Nature and Environment • Aimag natural environment department • Donors and investors • Local NGOs
Preconditions: None	Risk factors: Restoration of some exhibits which are in bad shape may require a lot of time and work

Estimated expenses, million MNT: 16.3

- o Making stuffed animals and birds – 3.3
- o Exhibit display cases– 2.0
- o Materials and chemicals – 8.5
- o Labor costs – 2.5

Local source	Central budget	Donors
	2.0	14.3

Contact person/s: S.Lochinkham, Soum deputy governor, tel: 22130, 99449423
D.Maakhuu, Director, the Natural history museum, tel: 23449, 99440415

Implementation period: 2 years	Impact period: Protection/storage of exhibits improved and their lifespan prolonged
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№ 18	Project: G1:06:Pr1:Pt1: Development and implementation of a soum program “200 new apartments”	Program: G1:06:Pr1: Improved apartment housing
Brief description of the project: The authorities of our soum have thought out a project, which is to achieve two important tasks: (i) contribute to the national program “40000 apartments”, and (ii) build up 200 new apartments for the city residents. Improved housing has been one of the painful issues that are related to every citizen and the newly built apartments will improve the living environment of many people along with upgrading of the lifestyle of many families.		
Expected results: <ul style="list-style-type: none"> • Increased housing rate of soum citizens in comfortable apartments • Support of civil workers and young families through improved housing • Improvement of city appearance and urbanization 		Target groups: <ul style="list-style-type: none"> • Civil workers • Young families • Veterans
Potential stakeholders: <ul style="list-style-type: none"> • Central government • Soum governor's office • Constriction companies 		Potential contributors: <ul style="list-style-type: none"> • Central government • Soum governor's office • Investors
Preconditions: <ul style="list-style-type: none"> • Infrastructures made available to new apartments • Land for new apartments identified 		Risk factors: <ul style="list-style-type: none"> • None
Estimated expenses, million MNT: 2600.0 <ul style="list-style-type: none"> o Material costs – 2067.5 o Labor costs – 462.8 o Transportation costs – 52.9 o Electricity – 16.8 		
Local source	Central budget	Donors
	2600.0	
Contact person/s: M.Tsogt, Soum governor, tel: 22945, 99442010 P.Baatar, Manager, soum governor's office, tel: 23614, 99448190		
Implementation period: 7 years		Impact period: Impact period begins after each of the 200 apartments is built

№ 19	Project: G1:06:Pr1:Pt2: Introduction of a mortgage credit scheme for private housing	Program: G1:06:Pr1: Improved apartment housing
Brief description of the project: Due to shortage of finances, the housing rate (the percentage of people living in apartments) in our soum has not been upgraded significantly in recent years. The current terms of housing loans are quite sturdy; in particular, the low-income families are still confronted with difficulties in obtaining loan to build comfortable houses. Those families in ger districts need substantial amount of sources to build private houses. The project is focused on bringing the banks closer to the citizens to ease their claims for collateral via introducing a pilot mortgage credit scheme for private housing. The project will largely help to improve living conditions of families in ger districts as well.		
Expected results: <ul style="list-style-type: none"> • Introduction of a mortgage credit scheme for private housing • Families in ger district are supplied with comfortable apartments and houses • Improvement of living conditions of families in ger district 		Target groups: <ul style="list-style-type: none"> • Families in ger district • Young families
Potential participants: <ul style="list-style-type: none"> • Soum governor's office • Construction companies 		Potential contributors: <ul style="list-style-type: none"> • People in ger district • Bank and financial organizations • Soum governor's office • Donors
Preconditions: <ul style="list-style-type: none"> • A housing program approved • Infrastructure developed 		Risk factors: <ul style="list-style-type: none"> • Poor support of mortgage scheme by banks
Estimated expenses, million MNT: 5.0 <ul style="list-style-type: none"> o Training costs – 1.5 o Advertisement – 0.5 o Labor costs – 3.0 		
Local source	Central budget	Donors
		5.0
Contact person/s: M.Tsogt, Soum governor, tel: 22945, 99442010, L.Gursed, statistician, soum governor's office, tel: 22542, 99448196		
Implementation period: 2 years		Impact period: Sustainable impacts are expected after such scheme introduced and houses are built

№ 20	Project: G3:03:Pr1:Pt3: Set up “Bayankhongor Treasure” fund	Program: G1:06:Pr1: Improved apartment housing
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Brief description of the project: About 90% of all families of Bayankhongor soum are in the ger districts. This is undisputable evidence that the needs to improve the living and housing condition remain high. One of the key areas of the city development strategy would be upgrade the streets and interneccine, promote families in ger districts to build private houses and assist some families in securing daily living requirements through the introduction of a community banking scheme to set up a revolving or joint monetary fund. The idea that the project puts forward is to pilot whether communities in need could set up a source for financing key community-agreed activities, and make a deposit of monetary source, which could steadily grow into a non-banking financial institution.

Expected results: <ul style="list-style-type: none"> • An initiative of ger district families to set up community banking piloted • Improvement of the appearance of ger districts improved • An inception activity to set up a non-banking financial institution is underway 		Target groups: <ul style="list-style-type: none"> • Families in ger district
Potential participants: <ul style="list-style-type: none"> • Soum governor's office • Bags governors • Ger district families 		Potential contributors: <ul style="list-style-type: none"> • Businesses/investors • Donors • Banks and non-banking financial institutions
Preconditions: <ul style="list-style-type: none"> • People wishing to join the pilot to be identified • Awareness raising on the pilot activity should be understood and supported by local community 		Risk factors: <ul style="list-style-type: none"> • Lack of knowledge and information to establish a fund
Estimated expenses, million MNT: 110.0 <ul style="list-style-type: none"> o Inception capital for the revolving fund – 94.7 o Space rent – 8.7 o Wages and tax – 6.6 		
Local source	Central budget	Donors
10.0		100.0
Contact person/s: M.Tsogt, Soum governor, tel: 22945, 99442010		
Implementation period: 1 year		Impact period: After one year following the end of the pilot

№ 21	Project: G1:07:Pr1:Pt1: Establishment of Food safety laboratory	Program: G1:07:Pr1: Healthy food
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Brief description of the project: Because of poor hygienic and non-standard quality of food and other consumable products, the rights of consumers are badly violated and the consumers face a variety of problems associated with their health. Due to poor food safety control and hygiene of food products either locally produced or imported, the soum still lacks technical capacity in preventing entering and out-going of unsafe food items. Given its specific geographical location, the Bayankhongor soum serves as the main exit point at the crossroads of outflow of goods to other soums. All these circumstances lead to request donors and investors in creating of an up-to-date, well-equipped food safety laboratory for controlling quality and hygiene standard of food supply.

Expected results: <ul style="list-style-type: none"> • Establishment of a food safety and hygiene control laboratory • Improvement of consumers' food safety 	Target groups: <ul style="list-style-type: none"> • Citizens of the soum • Consumers of other soums • Businesses
Potential participants: <ul style="list-style-type: none"> • Soum governor's office • Aimag standard and metrology office • Aimag and soum professional inspection agencies 	Potential contributors: <ul style="list-style-type: none"> • Food markets • Soum governor's office • Donors
Preconditions: <ul style="list-style-type: none"> • Professional experts to work in the new laboratory are trained 	Risk factors: <ul style="list-style-type: none"> • Unwillingness of food producers and traders

Estimated expenses, million MNT: 12.0

- o Equipment and facilities – 9.9
- o Rent of working space – 1.1
- o Training – 1.0

Local source	Central budget	Donors
2.0	8.0	2.0

Contact person/s: L.Gursed, Statistician soum governor's office, tel: 22542, 99448196
Ch.Daariimaa, Officer, soum governor's office, 99449215

Implementation period: 2 years	Impact period: Impacts will be apparent one year later
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№ 22	Project: G1:07:Pr1:Pt2: Improving quality and supply of drinking water of the aimag center	Program: G1:07:Pr1: Healthy food
Brief description of the project: This project aims at establishing a protection zone for the headwaters of the drinking water supplied to the soum along with installing high capacity facilities for water purifying and de-mineralizing. Measures for certifying main water supply sources and constant drinking water quality monitoring will also be implemented.		
Expected results: <ul style="list-style-type: none"> • Protection of head sources of drinking water secured • Improvement of the quality of drinking water supplied to the soum • Businesses for bottling and selling purified water encouraged 		Target groups: <ul style="list-style-type: none"> • Soum citizens • Business enterprises
Potential participants: <ul style="list-style-type: none"> • Soum governor's office • Aimag water service organizations • Businesses 		Potential contributors: <ul style="list-style-type: none"> • Soum governor's office • Chandmani LLC • Donors
Preconditions: <ul style="list-style-type: none"> • A central pure water supply system established 		Risk factors: None
Estimated expenses, million MNT: 18.0		
<ul style="list-style-type: none"> o Developing construction design – 1.2 o Construction work – 6.2 o Equipment & premises – 8.0 o Labor costs – 2.6 		
Local source	Central budget	Donors
1.0		17.0
Contact person/s: S.Lochinkham, Soum deputy governor, tel: 22130, 99449423 Ch.Daariimaa, Officer, soum governor's office, 99449215		
Implementation period: 2 years		Impact period: In 6 months

№ 23	Project: G1:07:Pr1:Pt2: Improving quality and supply of drinking water	Program: G1:07:Pr1: Healthy food
Brief description of the project: The fact that the majority of the soum population has weak understanding and a low level of consumer culture on food hygiene serves as the factor to impede enhanced food quality and safety. This project will be aimed to develop and implement a soum program "Healthy Food" which is focused on the provision of soum population with milk, dairy products, and homegrown vegetables in support of local entrepreneurship as well as running advocacy campaigns among the local community on awareness raising on enhanced consumer attitude and consuming culture.		
Expected results: <ul style="list-style-type: none"> • Development and implementation of a soum program "Healthy Food" • Consumption patterns and culture improved • Increased demand for home produced safe food 		Target groups: <ul style="list-style-type: none"> • Soum citizens • Public food shops and restaurants
Potential participants: <ul style="list-style-type: none"> • Aimag department health service • Soum governor's office • Food producers and sellers 		Potential contributors: <ul style="list-style-type: none"> • Food producers and sellers • Soum governor's office • Donors
Preconditions: Professional working teams and trainers are prepared		Risk factors: None Not
Estimated expenses, million MNT: 11.0 <ul style="list-style-type: none"> o Training – 3.1 o Research – 2.7 o Transportation – 1.5 o Labor costs – 3.7 		
Local source	Central budget	Donors
1.0		10.0
Contact person/s: S.Lochinlkham, Soum deputy governor, tel: 22130, 99449423		
Implementation period: 2 years		Impact period: Local communities will enjoy the impacts one year later

№ 24	Project: G2:O1:Pr1:Pt1: Construction of paved road between Bayankhongor and Shargaljuut	Program: G2:O1:Pr1: Upgrading conditions of road networking and bridges
<p>Brief description of the project: The prominent thermal spring resort in Shargaljuut has become one of the most famous attractive places for both foreign and local visitors. The most difficult, even negatively influencing factor for increased tourism and holidaymaking is the poor condition of the road, which results in time-consuming and troublesome drive to reach the place. The Shargaljuut village is located far from Ulaanbaatar and there is no direct paved way available to reach there. Due to poor condition of the current earth-road, visitors have to drive first to aimag center and then another 100 km all way backwards to the resort. The construction of a paved road connecting the town of Bayankhongor and the Shargaljuut village will make the trips easier for individual visitors, entities and organizations thus contributing enormously to development of tourism in the region.</p>		
<p>Expected results:</p> <ul style="list-style-type: none"> • Increase in the number of tourists and travelers • Easy access to the Shargaljuut thermal spring resort 		<p>Target groups:</p> <ul style="list-style-type: none"> • Village people • Tourists and travelers
<p>Potential participants:</p> <ul style="list-style-type: none"> • Central government • Soum governor's office 		<p>Potential contributors:</p> <ul style="list-style-type: none"> • Central government • Soum governor's office • Businesses • Donors
<p>Preconditions:</p> <ul style="list-style-type: none"> • Construction design and costs estimated and proposals for funding delivered to the central government 		<p>Risk factors: None</p>
<p>Estimated expenses, million MNT: 1350.0</p> <ul style="list-style-type: none"> o Material costs – 1049.6 o Labor costs – 229.9 o Transportation costs – 40.5 o Developing construction design – 30.0 		
Local source	Central budget	Donors
	675.0	675.0
<p>Contact person/s: M.Tsogt, Soum governor, tel: 22945, 99442010, P.Baatar, Manager, soum governor's office, tel: 23614, 99448190</p>		
<p>Implementation period: 5 years</p>		<p>Impact period: Impacts will be evident after the road is build</p>

№ 25	Project: G2:01:Pr1:Pt2: Reconstruction of Tui river bridge	Program: G2:01:Pr1: Upgrading conditions of road networking and bridges
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Brief description of the project: The bridge over the river Tui represents one of the key constructions lying across the main magisterial roads from Ulaanbaatar to western aimags, including Bayankhongor. Trucks and flooding have significantly destroyed the bridge over the last 16 years since the bridge was built. However, no reconstructions of the bridge were made so far. Tui river, which flows by the edge of the soum, is known as the severely flooding open water. Reconstruction of the bridge of Tui river will considerably improve local infrastructure and contribute to both local and national economy.

Expected results: <ul style="list-style-type: none"> • Improvement of traffic road infrastructure 	Target groups: <ul style="list-style-type: none"> • Travelers • Drivers
Potential participants: <ul style="list-style-type: none"> • Central government • Soum governor's office 	Potential contributors: <ul style="list-style-type: none"> • Central government • Soum governor's office
Preconditions: <ul style="list-style-type: none"> • Reconstruction work planned • 	Risk factors: <ul style="list-style-type: none"> • Frequent flooding may delay the reconstruction work

Estimated expenses, million MNT: 18.0

- o Material costs – 12.2
- o Labor costs – 3.0
- o Transportation costs – 2.0
- o Electricity – 0.8

Local source	Central budget	Donors
	18.0	

Contact person/s: M.Tsogt, Soum governor, tel: 22945, 99442010, P.Baatar, Manager, soum governor's office, tel: 23614, 99448190

Implementation period: 1 year	Impact period: Impacts will be known soon after the bridge reconstructed
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№ 26	Project: G2:O1:Pr1:Pt3: Upgrading road networks in ger districts	Program: G2:O1:Pr1: Upgrading conditions of road networking and bridges
Brief description of the project: Due to lack of improved and paved roads, the ger districts where 90% of soum population lives, are always dusty and the damages and soil degradation by trucks seem unlikely to diminish in the future. It has been made clear that the road dusts, especially in the heart of the ger districts badly affect not only the environment, but also bring harmful effects to health of its residents. In this view, urgent measures should be taken without any delay. This project aims at raising funds for building a paved road over the truck roads between the streets in the ger districts.		
Expected results: <ul style="list-style-type: none"> • The roads in ger districts improved • Decrease of dusts and soil erosion by trucks • Decreased auto accident and damage 		Target groups: <ul style="list-style-type: none"> • Citizens of the soum • Dwellers in ger districts • Drivers
Potential participants: <ul style="list-style-type: none"> • Central government • Soum governor's office • Road construction companies 		Potential contributors: <ul style="list-style-type: none"> • Central government • Soum governor's office • Donors
Preconditions: <ul style="list-style-type: none"> • Road construction design and budget approved 		Risk factors: <ul style="list-style-type: none"> • Lack of financial source
Estimated expenses, million MNT: 250.0 <ul style="list-style-type: none"> o Material costs – 195.5 o Labor costs – 44.5 o Transportation costs – 7.5 o Electricity – 2.5 		
Local source	Central budget	Donors
	150.0	100.0
Contact person/s: M.Tsogt, Soum governor, tel: 22945, 99442010 P.Baatar, Manager, soum governor's office, tel: 23614, 99448190		
Implementation period: 3 years		Impact period: Sustainability will be ensured

№ 27	Project: G2:O2:Pr1:Pt1: Conducting a survey on local capacity for SME development	Program: G2:O2:Pr1: Develop processing SMEs
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Brief description of the project: The soum administration conducts a registry of existing businesses in the soum, however, comprehensive information on the contemporary status and future trends of the development of businesses in the soum is missing or in short supply. In order to collect, analyze and distribute compact data on the geographic location, socio-economic aspects of SME-s, a survey on local capacity for SME development needs to be done. This survey will focus on the current situation to draw a strategic conclusion and to provide the businesses with opportunities for planned implementation of business activities, to build capacity of the soum business development and to provide the local community with business information and consultation services.

Expected results: <ul style="list-style-type: none"> • A survey on SME development shall be undertaken • Further expansion of the soum business development office as a source for business information and consultancy services 		Target groups: <ul style="list-style-type: none"> • Soum citizens • Businesses
Potential participants: <ul style="list-style-type: none"> • Soum governor's office • Soum statistical officer • Soum business development office 		Potential contributors: <ul style="list-style-type: none"> • Soum governor's office • Donors
Preconditions: None		Risk factors: None
Estimated expenses, million MNT: 5.0 <ul style="list-style-type: none"> o Equipment & facilities – 2.0 o Training and advertisement – 1.3 o Labor costs – 1.7 		
Local source	Central budget	Donors
		5.0
Contact person/s: M.Tsogt, Soum governor, tel: 22945, 99442010 E.Munkhtuya, Manager, business development office, tel: 23614, 99446996		
Implementation period: 1 year		Impact period: One year later

№ 28	Project: G2:02:Pr1:Pt2: Survey on processing of agricultural products, raw materials and the marketing trends	Program: G2:02:Pr1: Develop processing SMEs
<p>Brief description of the project: Traditionally, Bayankhongor soum has a large livestock herd that is capable to produce large quantity of raw products for local and other markets, including supply to China. However, due to poor capacity of current processing SMEs in the aimag, the prevailing portion of the entire agricultural raw materials and produces is either sold or exported unprocessed. Crop production has emerged as a new promising sector on the rise, therefore, if the capacity building of processing raw materials at the soum level is improved, it could play a key role to produce local brands and expand export rates in the future. In order to achieve these problems, the local resource and technological capacity and the issues concerning the potential sale and input markets should be assessed in a close link with the future trends of local SME development.</p>		
<p>Expected results:</p> <ul style="list-style-type: none"> • The upgraded processing level to process raw materials at soum level • Increase in the income for local community, SMEs and herder' families 		<p>Target groups:</p> <ul style="list-style-type: none"> • Soum governor's office • Aimag agricultural office • Herders and local community
<p>Potential participants:</p> <ul style="list-style-type: none"> • Aimag food and agricultural office • Soum governor's office 		<p>Potential contributors:</p> <ul style="list-style-type: none"> • Donors • Soum governor's office • Businessman
<p>Preconditions:</p> <ul style="list-style-type: none"> • A mechanism that promotes existing and new producers/businesses to engage in processing created 		<p>Risk factors:</p> <ul style="list-style-type: none"> • Lack of financial source • Meteorological risks
<p>Estimated expenses, million MNT: 5.0</p> <ul style="list-style-type: none"> o Costs for conducting survey – 3.5 o Fuel costs – 1.5 		
Local source	Central budget	Donors
2.5		2.5
<p>Contact person/s: S.Lochinkham, Soum deputy governor, tel: 22130, 99449423 S.Batsuren, Soum government officer, tel: 99445214</p>		
<p>Implementation period: 207–2008</p>		<p>Impact period: As the processing increases, the impact of the project will be evident</p>

№ 29	Project: G2:02:Pr1:Pt3: Developing a soum program "Efficient use of natural resources, mining deposits and construction materials"	Program: G2:02:Pr1: Develop processing SMEs
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Brief description of the project: In the framework of the priority goals to accelerate urban areas, create an industrial zone and advance processing industry for locally available materials and raw resources as a part of the general development plan of Bayankhongor soum, a soum program that foresees efficient use of existing resources of construction materials, mining deposits and other gifts of the mother nature will be developed. Thus, the program will largely promote local processing SMEs to be engaged in the use of locally available resources for the prosperity of the soum community.

Expected results: <ul style="list-style-type: none"> • Development of a soum program "Efficient use of natural resources, mining deposits and construction materials" • The strategic ways to link the use of the existing resources with the SME development identified 	Target groups: <ul style="list-style-type: none"> • Soum citizens • Businesses
Potential participants: <ul style="list-style-type: none"> • Soum governor's office • Businesses 	Potential contributors: <ul style="list-style-type: none"> • Soum governor's office • Donors
Preconditions: <ul style="list-style-type: none"> • A soum development general plan developed • Resources of existing raw materials identified 	Risk factors: <ul style="list-style-type: none"> • Lack of investment

Estimated expenses, million MNT: 9.3

- o Conducting survey – 5.8
- o Equipment & facilities – 2.5
- o Labor costs – 1.0

Local source	Central budget	Donors
1.0	2.5	5.8

Contact person/s: M.Tsogt, Soum governor, tel: 22945, 99442010
L.Gursed, Statistician, soum governor's office, tel: 22542, 99448196

Implementation period: 2 years	Impact period: Immediately after the completion of the project
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№ 30	Project: G2:03:Pr1:Pt1: Holding a soum fair to advertise soum and bag brand and most successful products	Program: G2:03:Pr1: Improve local trading facilities
<p>Brief description of the project: There is a need to expand the movement “One best product – one bag” to encourage each bag to develop own brands, and promote soum brand product through competitive selection of the bag brand products. This could be achieved through holding a soum fair, the soum community believes. The fair should be organized in such a way that the brand products are widely accepted by the community as innovation and local producers are encouraged towards improved production. This activity also should select the best producers and disseminate local best experiences along with a wider advertisement. Arranging training and demonstration to those producers, who wish to adapt the technologies of making the brand products would be an essential component of the fair.</p>		
<p>Expected results:</p> <ul style="list-style-type: none"> • An annual fair for advertisement of soum and bag brand products constantly organized • Increase of type and quantity of brand products • Dissemination of the best practices and experiences 		<p>Target groups:</p> <ul style="list-style-type: none"> • Soum producers and businesses
<p>Potential participants:</p> <ul style="list-style-type: none"> • Soum and bag governments • Producers 		<p>Potential contributors:</p> <ul style="list-style-type: none"> • Soum and bag governments • Businesses • Donors
<p>Preconditions: None</p>		<p>Risk factors: None</p>
<p>Estimated expenses, million MNT: 17.0</p> <ul style="list-style-type: none"> o Training – 5.5 o Equipment & premises – 6.0 o Transportation – 2.5 o Labor costs – 3.0 		
Local source	Central budget	Donors
2.0		15.0
<p>Contact person/s: Ch.Daariimaa, officer, soum governor's office, tel: 99449215 J.Bilguun-Ochir, Local business entrepreneur, tel: 99092010</p>		
<p>Implementation period: Every year from 2008</p>		<p>Impact period: From the first year</p>

№ 31	Project: G2:03:Pr1:Pt2: Establishment of a soum business incubator centre	Program: G2:03:Pr1: Improve local trading facilities
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Brief description of the project: This project will be specifically designed for the disabled people who are 4500 in numbers. Since the disabled people cannot generate income to support themselves and families by being engaged in any job, they need locally-proven and easy-to-adapt technologies and work procedures. In this connection, the soum government wants to establish a centre for business incubator for harboring and adopting the most productive technologies. Apart, the centre will be used as a service place for the soum businesses to get the most-up-to-date information concerning the technologies chosen for and incubated. Information networking and dissemination will be also part of the activities that the centre is expected to perform.

Expected results: <ul style="list-style-type: none"> Improvement of the employment and living standard disabled people Businesses are provided with new and recent business information and technologies being incubated 	Target groups: <ul style="list-style-type: none"> Disabled people Businesses
Potential participants: <ul style="list-style-type: none"> Soum governor's office Association of disabled citizens NGOs 	Potential contributors: <ul style="list-style-type: none"> Soum governor's office Aimag social welfare office Donors
Preconditions: None	Risk factors: None

Estimated expenses, million MNT: 15.0

- o Training – 1.2
- o Rent of working space – 10.0
- o Equipment & facilities – 2.5
- o Labor costs – 1.3

Local source	Central budget	Donors
5.0		10.0

Contact person/s: M.Tsogt, Soum governor, tel: 22945, 99442010
J.Tumurbaatar, Director, Association disabled citizens, tel: 96446688

Implementation period: from 2007	Impact period: One year later
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№ 32	Project: G2:O3:Pr1:Pt3: Construction of a specialized market and wholesale centre	Program: G2:O3:Pr1: Improve local trading facilities
<p>Brief description of the project: As mentioned elsewhere in the LED strategy, Bayankhongor soum wants to become a regional centre, which lays links between other soums of own aimag and soums of neighboring aimags. To achieve the goals indicated in the Vision statement of the LED strategy, the soum and bag governments should conduct enhance study and analyze all present potentials and future perspectives. In order to be able to offer different, but ecologically safe products, the soum markets should be reconstructed to convert them into specialized markets and wholesale centers. The markets will support the soum government in creation of better service environment for the consumers and provision of specialized service. The overall positive benefits and impacts of the project are safety, good price and reliable storages.</p>		
<p>Expected results:</p> <ul style="list-style-type: none"> • Establishment of regional wholesale network • Improvement of quality and safety of products and goods on the wholesale network 		<p>Target groups:</p> <ul style="list-style-type: none"> • Aimag and regional consumers • Businesses
<p>Potential participants:</p> <ul style="list-style-type: none"> • Aimag and regional businesses • Soum governor's office • Aimag standard and metrology office 		<p>Potential contributors:</p> <ul style="list-style-type: none"> • Regional businesses • Soum governor's office • Donors
<p>Preconditions:</p> <ul style="list-style-type: none"> • Open market places are established • Established sell wholesale points 		<p>Risk factors: None Not</p>
<p>Estimated expenses, million MNT: 50.0</p> <ul style="list-style-type: none"> o Reconstruction costs – 30.0 o Equipment and facilities – 12.0 o Training – 3.0 o Labor costs 3.5 o Other costs – 1.5 		
Local source	Central budget	Donors
20.0		30.0
<p>Contact person/s: L.Gursed, statistician, soum governor's office, tel: 22542, 99448196 J.Bilguun-Ochir, Business entrepreneur, tel: 99092010</p>		
<p>Implementation period: 3 years</p>		<p>Impact period: Half year following the end of the project</p>

№ 33	Project: G2:O4:Pr1:Pt1: Development of a soum program "Improvement of engineered network constructions and communal services"	Program: G2:O4:Pr1: Strengthen city communal service
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Brief description of the project: The implementation of other projects reflected in the soum LED strategy require the soum government to have a precondition created; a program on reconstruction and upgrading engineered network constructions and communal service facilities. This project aims at development of a program that covers both urban and ger districts to provide overall guidance in terms of: (i) timing and scope of work to be done either to create new and reconstruct or to upgrade/extend, basic and subsidiary infrastructures, if so, to which extent, (ii) the type of new infrastructures to be created, where and when, and to which extent, and (iii) identify work, finances and labor/sources each of the group problems needs.

Expected results: <ul style="list-style-type: none"> • Development of a soum program "Improvement of engineered network constructions" 	Target groups: <ul style="list-style-type: none"> • Users and beneficiaries • Urban development planners
Potential participants: <ul style="list-style-type: none"> • Soum governor's office • Professional institutions 	Potential contributors: <ul style="list-style-type: none"> • Soum governor's office • Businesses • Professional institutions • Donors
Preconditions: <ul style="list-style-type: none"> • Professional institutions contacted and agreed on their assistance for the development of the program 	Risk factors: None Not

Estimated expenses, million MNT: 325.5

- o Material costs – 207.8
- o Equipment & facilities – 42.3
- o Labor costs 55.3
- o Transportation costs – 6.0
- o Electricity – 2.9
- o Training & advertisement – 8.0
- o Other costs – 2.7

Local source	Central budget	Donors
35.7	189.4	100.4

Contact person/s: M.Tsogt, Soum governor, tel: 22945, 99442010

Implementation period: 1 year	Impact period: Impacts would be in 3 years after the project concluded
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№ 34	Project: G2:O4:Pr1:Pt2: Improvement of availability of public showers in ger districts	Program: G2:O4:Pr1: Strengthen city communal service
Brief description of the project: Building public showers in ger districts of the city of Bayankhongor and in remote areas like Shargaljuut village will become a significant contribution to the improvement of living conditions of people, including herders. Public showers will allow reducing improper use and pollution, of rivers and the thermal springs.		
Expected results: <ul style="list-style-type: none"> Establishment of a public showers in ger districts 		Target groups: <ul style="list-style-type: none"> Citizens in Shargaljuut village People in ger districts
Potential participants: <ul style="list-style-type: none"> Central government Soum governor's office 		Potential contributors: <ul style="list-style-type: none"> Soum governor's office Donors Businesses
Preconditions: <ul style="list-style-type: none"> Locations of the public showers to be built are identified 		Risk factors: None
Estimated expenses, million MNT: 6.8		
<ul style="list-style-type: none"> Construction – 4.3 Labor – 0.8 Material costs – 1.7 		
Local source	Central budget	Donors
2.6		4.2
Contact person/s: S.Lochinkham, soum deputy governor, tel: 22130, 99449423 P. S.Gotov, governor, Shargaljuut bag		
Implementation period: 6 months		Impact period: Impacts will become assessable after 1 year

№ 35	Project: G2:05:Pr1:Pt1: Set up soum tourism development office and attain the national tourism networking	Program: G2:05:Pr1: Improve tourism environment and facilities
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Brief description of the project: Issues related to the development of tourism in the soums has been too spontaneous and unsupervised that no words can be said about the policy-guided and planned development of this sector. Many things: how many tourists and visitors coming, how much income generated from tourism and who have been most benefiting, are not known. Because of the poor management and lack of representative institution, the soum experiences difficulties in accessing the national network and other tourist businesses, and enforcing of other soums to join tourism activities. Therefore, it urgently needs to establish a soum-based tourism office that will coordinate tourism-related actions within the soum and supervise/integrate activities by individual tour operators. At the same time, the office will represent the soum in front of the national tourism network and develop soum plan for expanded tourism.

Expected results: <ul style="list-style-type: none"> • Establishment of a soum tourism office with an access to the national tourism network • Increase in the numbers of tourists, visitors and holiday makers 	Target groups: <ul style="list-style-type: none"> • Soum governor's office • Businesses involved in tourism • Tourists and travelers
Potential participants: <ul style="list-style-type: none"> • Central government • Soum governor's office 	Potential contributors: <ul style="list-style-type: none"> • Soum governor's office • Donors • Businesses
Preconditions: <ul style="list-style-type: none"> • Supported by the national tourism authorities 	Risk factors: None Lack of

Estimated expenses, million MNT: 10.0

- o Training – 2.1
- o Equipment & facilities – 2.5
- o Rent of working space – 2.8
- o Labor costs – 2.6

Local source	Central budget	Donors
4.5		5.5

Contact person/s: M.Tsogt, Soum governor, tel: 22945, 99442010
L.Gursed, Statistician, soum governor's office, tel: 22542, 99448196

Implementation period: 1–2 years	Impact period: In two years after the completion of the project
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№ 36	Project: G2:05:Pr1:Pt2: Set up permanent tourism routes integrated with other soums	Program: G2:05:Pr1: Improve tourism environment and facilities
Brief description of the project: To ensure better preparation to join the national tourism network, the soum needs to investigate and identify potential routes that would enable it to set up an access to the tourism routes that lay across the soum and its neighbors. In order to work out how and where the new routes could be created, the soum should initiate a project, which covers other soums of interest. Creation of new tourism route/s as a part of the national network will be a pioneering activity towards the opening an entire set of tourist routes to cover whole aimag.		
Expected results: <ul style="list-style-type: none"> • Identification of soum-based tourism routes • Issues related to access to the national tourism network solved • Development of tourism support services • Increase in the numbers of tourists and visitors/holidaymakers visiting the soum 		Target groups: <ul style="list-style-type: none"> • Foreign and local tourists and visitors • Tourism businesses
Potential participants: <ul style="list-style-type: none"> • Soum governor's office • Donors • Local businesses 		Potential contributors: <ul style="list-style-type: none"> • Aimag governor's office • Soum governor's office • Other soums • Donors
Preconditions: <ul style="list-style-type: none"> • The layout of the proposed tourism route/s identified and discussed with the national tourism authorities • A preliminary talks and agreements with other soums held 		Risk factors: <ul style="list-style-type: none"> • Lack of professional worker and financial source
Estimated expenses, million MNT: 10.5 <ul style="list-style-type: none"> o Equipment & facilities – 6.5 o Research & advertisement – 2.0 o Labor costs – 2.0 		
Local source	Central budget	Donors
0.5	2.0	8.0
Contact person/s: M.Tsogt, Soum governor, tel: 22945, 99442010, L.Gursed, Statistician, soum governor's office, tel: 22542, 99448196		
Implementation period: 2 years		Impact period: The impacts will be known after the new route/s explored by a sufficient number of tourist and visitors, e.g. in 3 years after the project

№ 37	Project: G2:05:Pr1:Pt3: Development of tourism support services /handcraft selling, art shows and comfortable lavatories/	Program: G2:05:Pr1: Improve tourism environment and facilities
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Brief description of the project: As the soums succeed in the joining the national tourism networking and opening own routes for tourism and visits, the priority needs are to promote other support services and attractions, e.g. develop what the soum could offer. The list may include many handcraft items, which the local artisans could “produce” like felt-made stuffs, paint arts and cultural events and traditional games). As the stakeholders agreed, the creation of hygienic and comfortable facilities at the key points such as short stay places and comfortable lavatories along the tourist routes should be a part of the project. In order to consolidate local efforts, the soum stakeholders agreed to initiate a LED project, which will give valuable promotions for the inception local activities on the development of tourism support services.

Expected results: <ul style="list-style-type: none"> • Inception activities on the development and coordination of tourism support services underway • Creation of some comforts for tourists and visitors 	Target groups: <ul style="list-style-type: none"> • Soum artisans • Soum tourism development office • Businesses
Potential participants: <ul style="list-style-type: none"> • Soum artisans • Soum tourism development office • Businesses 	Potential contributors: <ul style="list-style-type: none"> • Donors • Investors • Producers and traders
Preconditions: <ul style="list-style-type: none"> • A survey to identify and register local artisans and the items they could offer to the tourists and visitors conducted 	Risk factors: None

Estimated expenses, million MNT: 10.0

<ul style="list-style-type: none"> o Training & advertisement – 2.2 o Reconstruction costs – 5.3 o Labor costs – 2.5 		
Local source	Central budget	Donors
4.5		5.5

Contact person/s: S.Lochinkham, Soum deputy governor, tel: 22130, 99449423L

Implementation period: 2 years	Impact period: The impact period will be in effect in two years the new routes are exploited
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№ 38	Project: G3:O1:Pr1:Pt1: Development of a soum program "Support of formal and informal civil society organizations"	Program: G3:O1:Pr1: Improve community participation in soum economic development
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Brief description of the project: It is well known that civil society represents a powerful development factor capable to mobilize the public under their mandate and patronage. The LBES identified that local government has been failing to hold sustainable cooperation and partnerships of mutual interests with NGOs, associations and other civic structures. In addition, the soum government needs to bring together various associations and societies representing the senior citizens, women, youths, neighborhoods, religious and others to integrate and promote their efforts towards implementation of the LED. The project, therefore, will attempt to develop a soum program for the support of formal and informal civil societies and organizations through establishing and strengthening fruitful partnerships and developing mutually beneficial cooperation.

Expected results: <ul style="list-style-type: none"> • Development of a soum program "Support of formal and informal civil society organizations" • Strengthening commitment and involvement of civil societies in the soum LED 	Target groups: <ul style="list-style-type: none"> • Civil societies and organizations • Soum government
Potential participants: <ul style="list-style-type: none"> • NGOs • Informal organizations • Soum governor's office 	Potential contributors: <ul style="list-style-type: none"> • Soum governor's office • NGOs and informal organizations • Donors
<ul style="list-style-type: none"> • Preconditions: A survey to identify the areas of mandate, interests and capacity of civil societies conducted 	Risk factors: None

Estimated expenses, million MNT: 25.0

- o Costs for information networking 3.8
- o Training & advertisement –3.4
- o Equipment & facilities – 14.3
- o Other costs – 3.5

Local source	Central budget	Donors
5.0		20.0

Contact person/s: S.Lochinkham, Soum deputy governor, tel: 22130, 99449423
E.Munkhtuya, Manager, soum business development office, tel: 99444696

Implementation period: 2 years	Impact period: 2 years later
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№ 39	Project: G3:O1:Pr1:Pt2: Development of a soum program "Expansion of international relations and cooperation"	Program: G3:O1:Pr1: Improve community participation in soum economic development
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Brief description of the project: Although the soum government has been working hard to extend its international relations, no long-term policies concerning the types of cooperation and the areas in which international cooperation have been identified. The problems associated with the undeviating the relations with the traditional partners like Japan, Poland, China and Russia and other potential counties towards the priority LED goals in the fields of protection of nature and environment, development of tourism and exchange of brand products for export and stabilization of the growth in main economic sectors can be solved through a long-term program. Thus, it is proposed to include in the soum LED strategy a project that looks at the above-mentioned key areas of foreign affairs.

Expected results: <ul style="list-style-type: none"> • Development of a program that looks at long-term development of the international relations • Identification of areas of cooperation with individual foreign partners 	Target groups: <ul style="list-style-type: none"> • Foreign partners • Soum government • Businesses and civic societies
Potential participants: <ul style="list-style-type: none"> • Aimag governor's office • Soum governor's office 	Potential contributors: <ul style="list-style-type: none"> • Cooperating countries • Donors
Preconditions: <ul style="list-style-type: none"> • A preliminary studies undertaken on the areas where cooperation can be developed 	Risk factors: None

Estimated expenses, million MNT: 225.0

- o DSA & per diem – 45.5
- o Airfare – 159.0
- o In-country expenses for quests – 21.0

Local source	Central budget	Donors
25.0		200.0

Contact person/s: M.Tsogt, Soum governor, tel: 22945, 99442010, S.Lochinlkham, Soum deputy governor, tel: 22130, 99449423

Implementation period: One year with continued updating throughout the project lifespan	Impact period: One year later
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№ 40	Project: G3:O1:Pr1:Pt3: Development of a soum program “Family development”	Program: G3:O1:Pr1: Improve community participation in soum economic development
Brief description of the project: The project aims at development and implementation of a LED program to pursue family-centered policy for solving outstanding problems resulting from the changes in the age groups of the soum population. This family-oriented approach based on the demographic developments, which the proposed project aims to achieve will induce many successful progresses in the human development. According to the concepts, the family should serve as the primary units. The issues of development of families in a variety of social and communicative environment will look at various forms of activities including training, public awareness promotion and social integration.		
Expected results: <ul style="list-style-type: none"> • Approval of a soum program “Family development” 		Target groups: <ul style="list-style-type: none"> • All people • All households
Potential participants: <ul style="list-style-type: none"> • Aimag governor's office • Soum governor's office 		Potential contributors: <ul style="list-style-type: none"> • Soum governor's office • NGOs • Donors
Preconditions: None		Risk factors: None
Estimated expenses, million MNT: 8.0 <ul style="list-style-type: none"> o Costs for training local trainers – 1.5 o Equipment & supply – 1.5 o Training & advertisement – 4.5 o Other costs – 0.5 		
Local source	Central budget	Donors
0.8	1.6	5.6
Contact person/s: Sh.Lkhagvasuren, Head, soum governor's office, tel: 2-2353, 99447332 N.Saikhantsetseg, Soum government officer, tel: 23616, 88446266		
Implementation period: 3 years		Impact period: One year later

№ 41	Project: G3:O1:Pr1:Pt4: Support and scale up of the civic movement “Neighborhood associations”	Program: G3:O1:Pr1: Improve community participation in soum economic development
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Brief description of the project: Long-term practices show that families living in the same locations tend to be very close in daily activities. The local stakeholders raised an issue about the adequacy of promoting this kind of neighborhood practices as a primary level development-oriented movement. It is appropriate that achieving the community-proposed task to lead the movement onto right direction can be implemented through a project. Frankly spoken, these kind of primary level activities are new to the soum administration; therefore, it needs to learn from international experiences. The main goals of this project will be to initiate raising funds to share among the contributors through a community-banking scheme. The funds will be used for the upgrading the surrounding areas by planting trees in khashaas, clean up polluted earth and assist each other in building simple life-supporting structures.

Expected results: <ul style="list-style-type: none"> • Ways to promote neighborhoods on development-oriented activities piloted • The areas of ger districts and apartments upgraded 	Target groups: <ul style="list-style-type: none"> • Neighborhood households
Potential participants: <ul style="list-style-type: none"> • Neighborhood households • NGOs • Soum governor’s office 	Potential contributors: <ul style="list-style-type: none"> • Neighborhood households • Donors • Soum governor’s office
Preconditions: <ul style="list-style-type: none"> • The communities where neighborhood groups can be established identified • The incentives to form such associations are high 	Risk factors: <ul style="list-style-type: none"> • Poor trust of people in revolving fund and non-banking financial operations

Estimated expenses, million MNT: 15.0

<ul style="list-style-type: none"> o Material costs – 8.1 o Transportation costs – 1.8 o Seed and seeding material – 1.9 o Labor costs – 3.2 		
Local source	Central budget	Donors
1.0		14.0

Contact person/s: M.Tsogt, Soum governor, tel: 22945, 99442010 & bag governors

Implementation period: 2 years	Impact period: The impacts will be extended as the associations progress
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№ 42	Project: G4:O1:Pr1:Pt1: Establishing of an E-information and advertisement center of Bayankhongor city	Program: G4:O1:Pr1: Urban development and upgrading
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Brief description of the project: Citizens request an easy way of getting daily important information without spending more time and resources. In response, the soum government reached a joint agreement with the stakeholders to establish an E-information and advertisement center. The center will create an E-information board where different organizations, enterprises and citizens can place business information for a broader and quicker dissemination. The soum government as a body for public service information networking will also exploit the center as a place where people can find useful information and announcements as well as advertisements.

Expected results: <ul style="list-style-type: none"> • Establishment of a new and most visited facility for public information dissemination and advertisement established • Access to and broadcasting of information by citizens and organizations eased 	Target groups: <ul style="list-style-type: none"> • Soum citizens • Businesses • Information seekers
Potential participants: <ul style="list-style-type: none"> • Soum governor's office • Business associations 	Potential contributors: <ul style="list-style-type: none"> • Soum governor's office • Donors
Preconditions: None	Risk factors: <ul style="list-style-type: none"> • Guarding and maintenance

Estimated expenses, million MNT: 7.7

Local source	Central budget	Donors
1.8		5.2

Contact person/s: M.Tsogt, Soum governor, tel: 22945, 99442010 & T.Tserendolgor, officer, soum governor's office

Implementation period: 7 months	Impact period: As the scale of the information networking extends the impacts will be expectedly improved
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№ 43	Project: G4:O1:Pr1:Pt2: Upgrading areas surrounding Erdenemandal Khairkhan and central boulevard gardens	Program: G4:O1:Pr1: Urban development and upgrading
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Brief description of the project: Erdenemandal Khairkhan is a sacred hilltop in the heart of the city of Bayankhongor, which is an attraction for people to eyewitness the city itself. The urgent needs are to start initial activities towards upgrading the area as a green zone, with facilities for recreations and leisure enjoyment. It will be in a harmony with the new developments in the urban areas. On the one hand, the park-type establishment around the Erdenemandal Khairkhan will attract soum businesses to set up modern services.

Expected results: <ul style="list-style-type: none"> • Creation of a green zone park for public recreation and leisure • Harmonic urban development assured • Creation of a new attractive place for tourism and visiting 	Target groups: <ul style="list-style-type: none"> • City dwellers • Businesses • Tourist operators
Potential participants: <ul style="list-style-type: none"> • Soum governor's office • Soum tourism development office • Enterprises and organizations 	Potential contributors: <ul style="list-style-type: none"> • Soum governor's office • Tourist operators and businesses
Preconditions: None	Risk factors: None

Estimated expenses, million MNT: 659.0

- o Material costs – 101.3
- o Purchase of seed and seedlings – 3.2
- o Transportation costs – 59.1
- o Equipment & facilities – 124.0
- o Labor costs – 41.6
- o Making hardtop road – 319.8

Local source	Central budget	Donors
5.0	50.0	604.0

Contact person/s: S.Lochinkham, Soum deputy governor, tel: 22130, 99449423, O.Amarjargal, officer, Soum Citizens' Representative Khural

Implementation period: 5 years	Impact period: Impacts are durable
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№ 44	Project: G4:O1:Pr1:Pt3: Upgrading central city roads, squares and construction of a monumental complex	Program: G4:O1:Pr1: Urban development and upgrading
Brief description of the project: An assemble of urban upgrading activities has been identified by the soum stakeholders who participated in the creation of the LED strategy, which includes: (i) reconstruct lighting of the Independent square and Peace street, (ii) reconstruct pedestrian walkways, and (iii) at the crosses of the central roads, build up a monumental complex after Ch.Lkhamsuren, the famous writer.		
Expected results: <ul style="list-style-type: none"> • Reconstruction of the lighting and pedestrian walkways along the main roads • A monumental complex build up • Reconstruction of streets and squares 		Target groups: <ul style="list-style-type: none"> • Soum citizens
Potential participants: <ul style="list-style-type: none"> • Soum governor's office • City development office • Enterprises and organizations 		Potential contributors: <ul style="list-style-type: none"> • Soum governor's office • Businesses • Relatives of Ch.Lkhamsuren • Donors
Preconditions: <ul style="list-style-type: none"> • Budget for reconstruction work and design of complex developed • Streets and squares rehabilitated 		Risk factors: <ul style="list-style-type: none"> • Guard and prevention of damages
Estimated expenses, million MNT: 90.0		
<ul style="list-style-type: none"> o Material costs – 13.8 o Making design – 27.6 o Transportation costs – 8.6 o Labor costs – 10.3 o Other costs – 29.7 		
Local source	Central budget	Donors
10.0	20.0	60.0
Contact person/s: O.Amarjargal, officer, Soum Citizens' Representative Khural		
Implementation period: 3 years		Impact period: One year later

№ 45	Project: G5:01:Pr1:Pt1: Perfection of city waste management	Program: G5:01:Pr1: Healthy city
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Brief description of the project: The pollution of the city urban and ger district areas by solid wastes and other garbage pollutants has been exceedingly high. No signs to decrease are observed unless specific packages of measures are implemented. Therefore, a project that aims at the improving solid waste management through enacting regulation for waste disposal area, make landfills and launch waste processing along with cleaning waste and garbage to cease soil pollution.

Expected results: <ul style="list-style-type: none"> • Introduction of a solid waste management that reduces environment pollution of the city and surrounding environment • Cleaning polluted areas arranged 	Target groups: <ul style="list-style-type: none"> • Soum citizens • Households • Enterprises and organizations
Potential participants: <ul style="list-style-type: none"> • Soum governor's office • Chandmani LLC • Households and organizations 	Potential contributors: <ul style="list-style-type: none"> • Soum governor's office • Businesses • Donors
Preconditions: <ul style="list-style-type: none"> • Budget and design of waste disposal points approved • Points for reconstructed and newly established waste disposal identified 	Risk factors: <ul style="list-style-type: none"> • Continued waste and garbage disposal in prohibited areas

Estimated expenses, million MNT: 63.0

- o Equipment & facilities – 32.0
- o Labor costs – 9.9
- o Transportation costs – 20.1
- o Other costs – 4.0

Local source	Central budget	Donors
5.0	8.0	50.0

Contact person/s: P.Baatar, Manager, soum governor's office, tel: 23614, 99448190, T.Tserendolgor, Officer, soum governor's office

Implementation period: 2 years	Impact period: The sustainable impacts will be seen in 2 years, when the management is accepted and implemented by citizens and enterprises
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№ 46	Project: G5:O1:Pr1:Pt2: Upgrading green areas of the city and establishment of green belts	Program: G5:O1:Pr1: Healthy city
<p>Brief description of the project: It has been clear that the areas taken by sand and active sand movement in peripheral and central parts of the city of Bayankhongor seemed to increase over the last few years. Therefore, measures to reduce and halt sand movement should be taken along with upgrading green areas of the city and establishment of green belts to prevent further escalation of the sand movement and improve living environment of the citizens. The project will aim to mobilize the citizens to participate/contribute voluntarily in this scheme by planting trees in areas where they live, protect vegetable fields by tree belts and upgrade green grass grounds.</p>		
<p>Expected results:</p> <ul style="list-style-type: none"> • Upgrading the green areas of the city • A reduction of sand moving 		<p>Target groups:</p> <ul style="list-style-type: none"> • All citizens • Enterprises and organizations
<p>Potential participants:</p> <ul style="list-style-type: none"> • Soum governor's office • Businessman • Enterprises and organizations 		<p>Potential contributors:</p> <ul style="list-style-type: none"> • Soum governor's office • Businesses • Donors
<p>Preconditions:</p> <ul style="list-style-type: none"> • Public awareness promotion campaign organized • Faculties for irrigation established 		<p>Risk factors:</p> <ul style="list-style-type: none"> • Damage by animals and trucks • Lack of water source
<p>Estimated expenses, million MNT: 80.0</p> <ul style="list-style-type: none"> o Material costs – 58.5 o Labor costs – 13.5 o Transportation costs – 5.0 o Other costs – 3.0 		
Local source	Central budget	Donors
	30.0	50.0
<p>Contact person/s: P.Baatar, Manager, soum governor's office, tel: 23614, 99448190 V.Gursed, City development Agency</p>		
<p>Implementation period: Continuously throughout LED strategy</p>		<p>Impact period: From 3rd year afterwards</p>

№ 47	Project: G5:O1:Pr1:Pt3: Reducing sand movement and building flood water drainage	Program: G5:O1:Pr1: Healthy city
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Brief description of the project: The city of Bayankhongor is located where Tui river makes a large open loop when it leaves a valley along which it flows. The left turn hides a danger for the city to be flooded easily because Tui river is fed by both underground source and rainfall water. Run-offs and intensified sand movement promoted by flooding usually take the parts of the urban and ger districts southwest of Khukhtolgoi and damage roads and other infrastructures. Therefore, building a drainage conveyance and disposal facilities would be the safest and long-lasting flood protection. The flood protection could be equipped with facilities that will help to harvest floodwater for irrigation of crops and city green areas.

Expected results: <ul style="list-style-type: none"> • Building up a flood protection facility • Decrease in sand moving • Installation of facilities for proper use of flood water 	Target groups: <ul style="list-style-type: none"> • Soum population • People living in ger district • Crop producers
Potential participants: <ul style="list-style-type: none"> • Soum governor's office • Aimag environment protection agency • Businesses 	Potential contributors: <ul style="list-style-type: none"> • Soum governor's office • Businesses
Preconditions: <ul style="list-style-type: none"> • Budget and design developed 	Risk factors: <ul style="list-style-type: none"> • Increased desertification

Estimated expenses, million MNT: 18.0

- o Material costs – 12.0
- o Labor costs – 2.3
- o Transportation costs – 2.5
- o Other costs – 1.2

Local source	Central budget	Donors
	18.0	

Contact person/s: P.Baatar, Manager, soum governor's office, tel: 23614, 99448190, L.Mandal, Aimag environment protection agency

Implementation period: 2 years	Impact period: Impacts of the project are attained when the drainage and flood protection facilities are build
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№ 48	Project: G5:O1:Pr1:Pt4: Reduction of smoke emission in ger districts	Program: G5:O1:Pr1: Healthy city
Brief description of the project: As elsewhere, the ger districts of the city of Bayankhongor are the main source for the smoke emission, which covers the city itself causing enormous amount of air pollution. The increased air pollution and contamination of soils with half-burnt coal ashes that affects the health of people is a problem to be seriously addressed. This project will be implemented to facilitate the introduction of efficient and less pollute techniques, through extended propaganda of less smoke-emission stoves and pressed solid fuel. By achieving its goals, the project will significantly aid in reduction of smoke emissions by ger districts.		
Expected results: <ul style="list-style-type: none"> • Depletion of air pollution • Inputs for less smoky fuel and stoves made • Reduction of health problems associated with high air pollution by household smoke 		Target groups: <ul style="list-style-type: none"> • Soum citizens • Households in ger district
Potential participants: <ul style="list-style-type: none"> • Soum governor's office • Businesses 		Potential contributors: <ul style="list-style-type: none"> • Soum governor's office • Ministry of health and social welfare • Donors
Preconditions: <ul style="list-style-type: none"> • Solid fuel (coal and other burnable materials mixed and dried/shaped) produced locally and made available at markets and launched mass use of less smoke discharging stoves 		Risk factors: <ul style="list-style-type: none"> • Lack of financial source
Estimated expenses, million MNT: 84.0		
<ul style="list-style-type: none"> o Material costs – 38.8 o Equipment & facilities – 13.0 o Labor costs – 13.9 o Transportation costs – 3.5 o Electricity – 4.5 o Training & advertisement – 1.8 o Developing construction design – 8.5 		
Local source	Central budget	Donors
4.0	30.0	50.0
Contact person/s: P.Baatar, Manager, soum governor's office, tel: 23614, 99448190, L.Mandal, Aimag environment protection agency		
Implementation period: 7 years		Impact period: The impacts of the project which would be assessable in two years, will be long-term

№ 49	Project: G5:02:Pr1:Pt1: Updating soum land management mapping	Program: G5:02:Pr1: Improved land and pasture management
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Brief description of the project: It is known that the main activities associated with the implementation of the soum LED strategy will require to implement an integrated land tenure and well-thought allocation of land for the new developments. However, the existing territorial map does not fully support such new arrangements of land related extended development to be clearly marked and revised. Therefore, soum land map needs revisions and amendments to be made. Updating the land map will create important prerequisites for other projects, which have a strong component related to the land planning. This project, therefore will aim at the designing a new land management for the elaborating a general soum development scheme. The map will include land planning for the city of Bayankhongor.

Expected results: <ul style="list-style-type: none"> • A soum land management plan updated • Development of a map and land management plan 	Target groups: <ul style="list-style-type: none"> • Enterprises and organizations • Citizens
Potential participants: <ul style="list-style-type: none"> • Soum governor's office • Businesses 	Potential contributors: <ul style="list-style-type: none"> • Aimag Land Management Agency • Soum governor's office • Businesses • Donors
Preconditions: <ul style="list-style-type: none"> • Registry of land possessors and owners 	Risk factors: <ul style="list-style-type: none"> • Incompleteness and lack of annual updating

Estimated expenses, million MNT: 25.0

- o Conducting cadastral survey 10.5
- o Survey on land tenure – 6.5
- o Transportation costs – 2.8
- o Labor costs – 3.2
- o Other costs – 2.0

Local source	Central budget	Donors
5.0	5.0	15.0

Contact person/s: S.Lochinkham, Soum deputy governor, tel: 22130, 99449423 & Sh.Khurelbaatar, Land officer, soum governors' office

Implementation period: 2 years	Impact period: A proper land use and allocation of land to businesses will be the major conditions for the impacts to be sustainable.
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№ 50	Project: G5:O2:Pr1:Pt2: Improvement of crop and pasture irrigation and pasture management	Program: G5:O2:Pr1: Improved land and pasture management
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Brief description of the project: In response to the degradation of pastureland and deterioration of the grass productivity caused by herders' strategy to maximize the herd size and continuous droughts along with increased desertification, herders attempt to take advantage of using the grazing resources without any proper management. The introduction of proper grazing management adjusted to the existing herd size and improvement of the utilization of cropland are the outstanding problem in the field of the management of agricultural land. The application of efficient technologies such as irrigation and integrated crop–livestock farming are also crucial to the improved utilization of land resources. Allocation of the limited resources of grazing and cropland to an exceeded number of users will require a proper land management to be introduced and retained. In the framework of the proposed project, the abovementioned problems of irrigation of cropland and improvement of pasture water supply and perfection of land management will be solved.

Expected results: <ul style="list-style-type: none"> • Introduction of a proper grazing and cropland management at both individual and group levels • Application of seasonal grazing and efficient crop technologies such as irrigation and water supply promoted 	Target groups: <ul style="list-style-type: none"> • Herders • Crop producers
Potential participants: <ul style="list-style-type: none"> • Aimag agricultural agency • Soum governor's office • Businesses & agriculturalists 	Potential contributors: <ul style="list-style-type: none"> • Soum governor's office • Crop & livestock businesses • Donors
Preconditions: <ul style="list-style-type: none"> • Current year land management plan approved • Existing users of pasture and cropland identified 	Risk factors: <ul style="list-style-type: none"> • Shortage of financial source • Climatic shocks

Estimated expenses, million MNT: 203.0

Local source	Central budget	Donors
10.0	93.0	100.0

Contact person/s: S.Lochinkham, Soum deputy governor, tel: 22130, 99449423 & S.Batsuren, Soum government officer, tel: 99445214

Implementation period: Beginning in 2008 and continued for 7 years	Impact period: Sustainable impacts are expected to be visual 3–4 years later the end of the project
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